



GRAND COUNTY MUNICIPAL BUILDING AUTHORITY SPECIAL MEETING

Held virtually on Zoom and on YouTube
Moab, Utah

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AGENDA - **AMENDED** Tuesday, October 6, 2020

Mary McGann, President

4:00 p.m. or later

- Call to Order**
- Approval of Minutes** (Quinn Hall, Secretary)
 - A. May 19, 2020 (Municipal Building Authority Special Meeting)
- Presentations**
- Discussion Items**
- Action Items- Discussion and Consideration of:**
 - B. Adopting resolution approving the EMS Sublease Agreement for use of Grand County property known as Parcel No. 01-0006-0035, under lease to the MBA (Chris Baird, Commission Administrator and Andy Smith, EMS Director)
- Public Hearing**
- Future Considerations**
- Closed Session(s) (if necessary)**
- Adjourn**

NOTICE OF SPECIAL ACCOMMODATION DURING PUBLIC MEETINGS. In compliance with the Americans with Disabilities Act, individuals with special needs requests wishing to attend County Commission meetings are encouraged to contact the County two (2) business days in advance of these events. Specific accommodations necessary to allow participation of disabled persons will be provided to the maximum extent possible. T.D.D. (Telecommunication Device for the Deaf) calls can be answered at: (435) 259-1346. Individuals with speech and/or hearing impairments may also call the Relay Utah by dialing 711. Spanish Relay Utah: 1 (888) 346-3162

It is hereby the policy of Grand County that elected and appointed representatives, staff and members of Grand County Commission may participate in meetings through electronic means. Any form of telecommunication may be used, as long as it allows for real time interaction in the way of discussions, questions and answers, and voting.

At the Grand County Commission meetings/hearings any citizen, property owner, or public official may be heard on any agenda subject. The number of persons heard and the time allowed for each individual may be limited at the sole discretion of the Chair. On matters set for public hearings there is a three-minute time limit per person to allow maximum public participation. Upon being recognized by the Chair, please advance to the microphone, state your full name and address, whom you represent, and the subject matter. No person shall interrupt legislative proceedings.

Requests for inclusion on an agenda and supporting documentation must be received by 5:00 PM on the Wednesday prior to a regular Commission Meeting and forty-eight (48) hours prior to any Special Commission Meeting. Information relative to these meetings/hearings may be obtained at the Grand County Commission's Office, 125 East Center Street, Moab, Utah; (435) 259-1346.



GRAND COUNTY MUNICIPAL BUILDING AUTHORITY SPECIAL MEETING

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MINUTES

Tuesday, 19 May, 2020

The Grand County Municipal Building Authority met in a special meeting on 19 May, 2020. Due to the COVID-19 pandemic, the meeting was streamed/attended electronically. Members in attendance via phone/internet were Chair Mary McGann, Gabriel Woytek, Curtis Wells, Evan Clapper, Jaylyn Hawks, Greg Halliday, and Rory Paxman. Also in attendance were County Council Administrator Chris Baird, Assistant County Council Administrator Mallory Nassau, County Attorney Christina Sloan, County Clerk/Auditor Quinn Hall and Alex Buxton of Zion's Bank and Aaron Wade of Gilmore Bell (bond counsel).

6:00 p.m. or later

Call to Order

Chair McGann called the meeting to order at 6:02 pm.

Approval of Minutes (Quinn Hall, Clerk/Auditor)

A. April 21, 2020 (Municipal Building Authority Special Meeting)

Motion by Evan Clapper to approve the minutes from 21 April, 2020 and authorize the chair to sign all associated documents.

Motion seconded by Greg Halliday

Motion passes 7-0

Disclosures (none at this time)

Presentations (none at this time)

Discussion Items

B. Update on EMS Special Service District 2021 Budget Projections (Andy Smith, EMS Director)

Discussion:

Andy Smith with Grand County Emergency Medical Services (EMS) discussed revenue projections and future stability and noted commitment to future payments and debt obligations regarding the new building/facility. Andy discussed the recent increase in calls for EMS and expressed optimism about the future of funding. Andy noted the first bond payment is not due until October of 2021 and shared plans to reduce expenses for the remainder of 2020. Christina noted the risk to the County if the EMS were to default on the loan. Christina talked about possible downturns in mineral lease funds and expressed concerns about pledging County property. Evan noted Community Impact Fund Board (CIB) support for the project. Evan suggested postponing the project may cost more in the long run, and reaffirmed the essential nature of EMS. Chris noted the CIB likely has never foreclosed on a property – and reaffirmed CIB support for the project. Jaylyn, noting her husband is on the EMS Board, commented that Andy's plan seems thorough and the EMS

is well-run and she has confidence in the EMS board. Alex discussed the terms of the loan and noted the first payment is in the relatively distant future. Alex relayed he'd discussed potential foreclosure or defaulting with the CIB and relayed that the CIB would likely work with EMS to restructure or reissue loans to facilitate payment.

Andy offered an overview of the proposed EMS facility, noting there would be living quarters, ambulance parking, and administrative offices.

This public hearing is a requirement of statute – followed by a 30 day “contestability” period.

Action Items- Discussion and Consideration of:

Public Hearing

- C. Public hearing to allow public input regarding (a) the issuance and sale by Grand County, Utah of not more than \$3,600,000 aggregate principal amount of its lease revenue bonds, series 2020; and (b) any potential economic impact that the project to be financed with the proceeds of the series 2020 bonds issued under the act may have on the private sector; and related matters (Chris Baird, Council Administrator)

Discussion:

(None at this time)

Future Considerations (none at this time)

Closed Session(s) (if necessary)

Adjourn

Chair McGann adjourned the meeting at 6:27

Mary McGann, President

Quinn Hall, Secretary

AGENDA SUMMARY
GRAND COUNTY MUNICIPAL BUILDING AUTHORITY
SPECIAL MEETING
SEPTEMBER 30, 2020

Agenda Item: B

| | |
|-----------------------|---|
| TITLE: | A Resolution authorizing and approving the EMS Sublease Agreement for use of Grand County property known as Parcel No. 01-0006-0035, under lease to the MBA |
| FISCAL IMPACT: | N/A |
| PRESENTER(S): | Chris Baird, County Council Administrator, and Andy Smith, EMS Director |

Prepared By:

Christina Sloan,
County Attorney

FOR OFFICE USE ONLY:

Attorney Review:

Complete

RECOMMENDATION:

I move to approve the proposed Resolution authorizing and approving the Sublease Agreement with the Grand County Emergency Medical Services Special Service District for use of real property known as Parcel No. 01-0006-0035 in the form attached in the packet.

BACKGROUND:

In 2019, the Permanent Community Impact Fund Board authorized a \$1,182,000 grant and a \$3,548,000 loan to the Municipal Building Authority (“MBA”) for the construction of a new emergency medical services facility built on County land.

The proposed facility will be a 12,000 square foot facility with 3 ambulance bays, conference rooms, administrative offices, training space, kitchen, day rooms, storage rooms, laundry room, workout room, bedrooms, locker rooms, restrooms, and decontamination area (the “Project”).

The loan will be evidenced by a lease revenue bond to be issued and then purchased by the MBA, which loan shall be paid for by the Grand County Emergency Medical Services Special Service District (“EMS”).

The MBA leases the land from Grand County under the Ground Lease Agreement approved with the Parameters Resolution and will serve as the Lessor in the Sublease.

ATTACHMENT(S):

- 1) Resolution
- 2) Exhibit A (Sublease Agreement)

**MUNICIPAL BUILDING AUTHORITY OF GRAND COUNTY, UTAH
RESOLUTION NO. ____ (2020)**

**AUTHORIZING AND APPROVING THE SUBLEASE AGREEMENT WITH THE
GRAND COUNTY EMERGENCY MEDICAL SERVICES SPECIAL SERVICE
DISTRICT FOR REAL PROPERTY KNOWN AS PARCEL NO. 01-0006-0035 IN
CONNECTION WITH THE SALE AND ISSUANCE BY THE MUNICIPAL BUILDING
AUTHORITY OF ITS TAXABLE LEASE REVENUE BONDS (SERIES 2020)**

WHEREAS, the Grand County Emergency Medical Services Special Service District (“District” or “EMS”) is a political subdivision of the State of Utah created by the previously named Grand County Council on May 1, 2018 via Resolution No. 3142 (2018), administered by an Administrative Control Board which is delegated, without limitation, the power to act as the governing authority of EMS and to exercise all or any of the powers provided in accordance with the Utah Code § 17D-1-301 (the Utah Special Service District Act);

WHEREAS, the Municipal Building Authority of Grand County, Utah (the “Authority”) was authorized and created by Grand County, Utah (the “County”) pursuant to provisions of a Resolution dated August 5, 1991, and is duly created, established, organized and existing as a nonprofit corporation under and by virtue of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporations Act, Title 16, Chapter 6a, and the Utah Municipal Building Authority Act, Title 17A, Chapter 3, Part 9, of the Utah Code Annotated 1953, as amended;

WHEREAS, the County owns real property located in Grand County, Utah, known as Parcel No. 01-0006-0035, which property is leased to the Authority under the parties’ Ground Lease Agreement effective of the date hereof and particularly described as follows:

Beginning 691.5 feet North and 388 feet East of the Southwest Corner, Lot 5, Section 6, Township 26 South, Range 22 East, Salt Lake Base and Meridian; running thence North 200 feet; thence East 200 feet; thence South 200 feet; thence West 200 feet to the point of beginning;

ALSO, Beginning 691.5 feet North and 588 feet East of the Southwest Corner, Lot 5, Section 6, Township 26 South, Range 22 East, Salt Lake Base and Meridian; running thence North 200 feet; thence East 200 feet; thence South 200 feet; thence West 200 feet to the point of beginning;

LESS THE FOLLOWING, Beginning at a corner which bears East 739.6 feet and North 691.5 feet from the West Quarter Corner of Section 6, Township 26 South, Range 22 East, Salt Lake Base and Meridian, and proceeding thence West 22.0 feet to a corner; thence North 15°00' East 68.0 feet to a corner; thence North 75°00' West 108.0 feet to a corner; thence North 15°00' East 150.0 feet to a corner; thence East 317.4 feet to a corner; thence South 238.6 feet to a corner; thence West 247.5 feet to the point of beginning (the “Property”);

WHEREAS, the Authority has determined that it is in the public's best interest to finance a certain project for EMS through the issuance of its Taxable Lease Revenue Bonds, Series 2020 (the "Series 2020 Bonds"), subject to EMS' obligations in the Sublease approved hereunder, on the Property, which project includes the construction of a new emergency medical services facility, including the construction of a 12,000 square foot facility with 3 ambulance bays, conference rooms, administrative offices, training space, kitchen, day rooms, storage rooms, laundry room, workout rooms, bedrooms, locker rooms, restrooms and decontamination area (the "Project"); and

WHEREAS, the Authority hereby determines that it is in the public's best interest for it to sublease the Property to EMS pursuant to the provisions of the Sublease Agreement for the Project (the "Sublease");

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE GOVERNING BOARD OF THE MUNICIPAL BUILDING AUTHORITY OF GRAND COUNTY, UTAH, AS FOLLOWS:

1. 1. The Sublease attached hereto as Exhibit A is hereby approved effective as of the closing of the Series 2020 Bonds, and the Chair is authorized to execute and deliver the Sublease in the form and with substantially the same content as set forth in Exhibit A for and on behalf of District.

2. 2. The appropriate officers of the Board are authorized to take all action necessary or reasonably required to carry out, give effect to and consummate the transaction contemplated thereby and are authorized to take all action necessary to sublease the Project from the County pursuant to the Sublease.

PASSED THIS OCTOBER 6, 2020.

MUNICIPAL BUILDING AUTHORITY OF GRAND COUNTY, UTAH:

By: _____
Mary McGann, Chair

ATTEST:

By: _____
Quinn Hall, Secretary

WHEN RECORDED, RETURN TO:
Randall Larsen
Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
Salt Lake City, Utah 84101

SUBLEASE AGREEMENT

between

MUNICIPAL BUILDING AUTHORITY OF GRAND COUNTY, UTAH
as Sublessor

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

and

GRAND COUNTY EMERGENCY MEDICAL SERVICES
as Sublessee

A special services district aiding in emergency and paramedic services

SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT (the “Sublease”), effective as of the date specified herein, is entered into by and between MUNICIPAL BUILDING AUTHORITY OF GRAND COUNTY, UTAH (the “Sublessor” or “Authority”), as sublessor hereunder, and the GRAND COUNTY EMERGENCY SERVICES SPECIAL SERVICE DISTRICT (the “Sublessee” or “EMS”), as sublessee hereunder.

W I T N E S S E T H :

WHEREAS, Grand County, Utah (the “County”) is a political subdivision and body politic duly organized and existing under the Constitution and laws of the state of Utah;

WHEREAS, the previously named Grand County Council (the “Council”) has previously authorized and directed the creation of the Municipal Building Authority (the “Authority”) pursuant to provisions of a resolution dated August 5, 1991 as a nonprofit corporation under and by virtue of the Constitution and laws of the State of Utah, including, in particular, the provisions of the Utah Revised Nonprofit Corporations Act, Title 16, Chapter 6a, and the Utah Municipal Building Authority Act, Title 17A, Chapter 3, Part 9, of the Utah Code Annotated 1953, as amended;

WHEREAS, under its Articles of Incorporation, the purpose of the Authority is to acquire and construct capital projects that benefit the interest of the public and to finance the cost of such improvements in accordance with the procedures and subject to the limitations of Utah law;

WHEREAS, pursuant to the provisions of the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1959, as amended, and the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, as amended (collectively, the “Act”), the Governing Board of the Authority has the power to issue its Lease Revenue Bonds, Series 2020 (the “Series 2020 Bonds”) (to be issued in one or more series with such other series or title designation(s) as may be determined by the Authority) for the purpose of (a) financing the construction of an emergency medical services facility and all related improvements (the “Project”) and (b) paying costs of issuance of the Series 2020 Bonds;

WHEREAS, the District is a political subdivision of the State of Utah created by the Council on May 1, 2018 via Grand County Resolution No. 3142 (2018), administered by an Administrative Control Board which is delegated, without limitation, the power to act as the governing authority of EMS and to exercise all or any of the powers provided in accordance with the Utah Code § 17D-1-301 (the Utah Special Service District Act);

WHEREAS, the County desires to lease the Project Property, as lessor, to the Authority under the terms and provisions set forth in the Ground Lease between the Parties effective as the same date hereof;

WHEREAS, the County owns real property located in Grand County, Utah, known as Parcel No. 01-0006-0035, which property is leased to the Authority under the parties' Ground Lease Agreement effective of the date hereof and particularly described as follows:

Beginning 691.5 feet North and 388 feet East of the Southwest Corner, Lot 5, Section 6, Township 26 South, Range 22 East, Sale Lake Base and Meridian; running thence North 200 feet; thence East 200 feet; thence South 200 feet; thence West 200 feet to the point of beginning;

ALSO, Beginning 691.5 feet North and 588 feet East of the Southwest Corner, Lot 5, Section 6, Township 26 South, Range 22 East, Salt Lake Base and Meridian; running thence North 200 feet; thence East 200 feet; thence South 200 feet; thence West 200 feet to the point of beginning;

LESS THE FOLLOWING, Beginning at a corner which bears East 739.6 feet and North 691.5 feet from the West Quarter Corner of Section 6, Township 26 South, Range 22 East, Salt Lake Base and Meridian; and proceeding thence West 22.0 feet to a corner, then North 15° 00 East 68.0 feet to a corner, then North 75° 00' West 108.0 feet to a corner; thence West 247.5 feet to the point of beginning, also known as Parcel No. 01-0006-0035 (the "Property").

WHEREAS, the Authority has determined that it is in the public's best interest to finance a certain project for EMS through the issuance of its Taxable Lease Revenue Bonds, Series 2020 ("the Series 2020 Bonds"), subject to EMS' obligations in the Sublease approved hereunder, to be constructed on the Property, which project includes the construction of a new emergency medical services facility, including the construction of a 12,000 square foot facility with 3 ambulance bays, conference rooms, administrative offices, training space, kitchen, day rooms, storage rooms, laundry room, workout rooms, bedrooms, locker rooms, restrooms and decontamination area (the "Project");

WHEREAS, pursuant to the provisions of MBA Resolution No. 3223 (2020) dated April 21, 2020 (the "Parameters Resolution"), the Governing Board of the Authority has authorized and approved a Master Resolution and other Security Documents (as defined in the Master Resolution) and a Master Lease in connection with the financing of the 2020 Project, which documents shall be executed upon closing of Series 2020 Bonds.

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

"Additional Bonds" means bonds issued by the Authority pursuant to Section 3.10 of the Master Resolution.

"Additional Rentals" means those costs described in Section 6.3 herein which the Sublessee assumes or agrees to pay, together with all interest and penalties that may accrue thereon in the event that the Sublessee shall fail to pay the same, as specifically set forth herein.

"Authority" means the Municipal Building Authority of Grand County, Utah, a nonprofit corporation organized under the laws of the State of Utah with its principal place of business in Moab, Utah, acting in the capacity of Sublessor under the Sublease and as grantor 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 Project by a written certificate furnished to the Sublessor and the Sublessee 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 Sublessor.

"Base Rentals" means the payments payable by the Sublessee pursuant to Section 6.2 of this Sublease during the Original and any Renewal Term hereof (as those terms are hereinafter defined), which constitute the payments payable by the Sublessee for and in consideration of the right of use of the Project during such Original and Renewal Terms.

"Bonds" means the Series 2020 Bonds.

"Bond Fund" refers specifically to the Series 2020 Bonds.

"Bondholder" or "holder" or "owner of the Series 2020 Bonds" means the registered owner of any Series 2020 Bond.

"Code" means the Internal Revenue Code, as amended.

"CIB" means the Permanent Community Impact Fund Board of Utah.

"Completion Date" means the date of completion with respect to the Project, and of final acceptance by the Sublessor of the Project as provided in the Lease.

"Construction Contracts" means any construction contract between the Authority or Sublessor and any contractor and between any such contractor and his/her immediate subcontractor or subcontractors regarding the Project.

"Costs of Construction" means:

- (1) the actual cost of acquiring or improving the Project; and
- (2) the actual cost of enlarging, constructing, reconstructing, improving, replacing, restoring, renovating, maintaining, equipping or furnishing all or any part of the Project, including architect's or engineer's fees.

"Costs of Issuance" means all costs and expenses connected with the authorization, sale, and issuance of the Series 2020 Bonds, including escrow agent fees, fees to be charged by the purchaser of the Series 2020 Bonds, fees for outside attorneys or accountants, whose opinions are required to obtain the issuance of the Series 2020 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 Series 2020 Bonds for a reasonable time prior to, during, and for a reasonable period of time after completion of the Project.

"County Funds" means those funds or appropriations authorized/reimbursed by the CIB for the contract sums, which shall be paid by Series 2020 Bonds under CIB Contract No. FUND5285-20.

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

"District Representative" shall be the Director of the District unless the District designates an alternate person to act on its behalf by a written certificate furnished by the Sublessee to the Sublessor containing the specimen signature of such person or persons and signed on behalf of the Sublessee by the President of the Sublessee or any duly authorized officer thereof. Such certificate may designate an alternate or alternates.

"Effective Date" means the closing of the Series 2020 Bonds.

"Event of Default" means one or more events of default as defined in Section 14.1 of this Sublease.

"Event of Nonappropriation" means (i) a failure by the Sublessee to renew the term of this Sublease for any payment obligation hereunder for all contemplated Renewal Terms, or (ii) a failure by the Sublessee to budget and appropriate sufficient Interlocal 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 Article VI of this Sublease.

"Independent Counsel" means an attorney duly admitted to the practice of law

before the highest court of the State and who is not an employee of the Authority, the Sublessor, or the Sublessee.

"Master Resolution" means the Master Resolution approved by the Authority on April 21, 2020 via MBA Resolution No. 3223 (2020), pursuant to which the Series 2020 Bonds are authorized to be issued and certain interests (i) of the Authority in the Lease, and the Base Rentals and other revenues received by the Authority from the Project are to be pledged and assigned as security for the payment of principal of and interest on the Series 2020 Bonds; and (ii) of the Sublessor in this Sublease, and the Base Rentals and other revenues received by the Sublessor from the Project are to be pledged and assigned as security for the payment of principal of and interest on the Series 2020 Bonds.

"Net Proceeds," when used with respect to any performance or payment bond proceeds or proceeds from policies of insurance or any condemnation award or the proceeds of any liquidation of the Project, 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 that period of time from the Effective Date of the Sublease to maturity of the Series 2020 Bonds, the maturity date of which is established as 32 years after the first payment on the Series 2020 Bonds unless paid in full earlier.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent, or which the Sublessee may, pursuant to the provisions of Article IX of this Lease, permit to remain unpaid; (ii) the Lease and this Sublease, including any security interests granted therein and herein; (iii) utility access and other easements and rights of way, restrictions, and exceptions which the County Representative and the Authority Representative certify will not interfere with the operation of the Project or impair the marketability of title to the Project or the general security provided for the Bondholders; (iv) the Master Resolution, the Security Documents, and related financing statements; and (v) such minor defects, irregularities, encumbrances, and clouds on title as normally exist with respect to property of the general character of the Project and as do not, in the opinion of Independent Counsel, materially impair the operation or marketability of title to the Project.

"Project" means the construction of a new EMS station and related improvements, as more fully described in the Agreement and in the recitals above.

"Property" means the real property located in Grand County, Utah known as Parcel No. 01-0006-0035, particularly described as follows:

Beginning 691.5 feet North and 388 feet East of the Southwest Corner, Lot 5, Section 6, Township 26 South, Range 22 East, Sale Lake Base and Meridian; running thence North 200 feet; thence East 200 feet; thence South 200 feet; thence West 200 feet to the point of beginning;

ALSO, Beginning 691.5 feet North and 588 feet East of the Southwest Corner, Lot 5, Section 6, Township 26 South, Range 22 East, Salt Lake Base and Meridian; running thence North 200 feet; thence East 200 feet; thence South 200 feet; thence West 200 feet to the point of beginning;

LESS THE FOLLOWING, Beginning at a corner which bears East 739.6 feet and North 691.5 feet from the West Quarter Corner of Section 6, Township 26 South, Range 22 East, Salt Lake Base and Meridian; and proceeding thence West 22.0 feet to a corner, then North 15° 00' East 68.0 feet to a corner, then North 75° 00' West 108.0 feet to a corner; thence West 247.5 feet to the point of beginning, also known as Parcel No. 01-0006-0035.

"Refunding Bonds" means Bonds issued by the Authority pursuant to Section 3.9 of the Master Resolution.

"Renewal Terms" means the optional Renewal Terms of the Sublease Term as provided in Article IV of this Sublease.

"Reserve Fund" means the special fund created in Section 6.6 of the Master Resolution.

"Security Documents" shall have the meaning assigned in the Master Resolution.

"State" means the State of Utah.

"Sublease" means this Sublease Agreement by and between the Sublessor and the Sublessee and any amendments or supplements hereto, including the Exhibit(s) attached hereto.

"Sublease Term" means the duration of the leasehold estate created in the Project as provided in Article IV of this Sublease, including the Original Term and the Renewal Terms, if any.

"Sublessee" means the Grand County Emergency Medical Services, a paramedic and emergency response team.

"Sublessor" means Grand County, Utah, a political subdivision and body politic duly established and existing under and by virtue of the Constitution and laws of the State.

ARTICLE II

REPRESENTATIONS, COVENANTS, AND WARRANTIES

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

(a) The Sublessee is a special service district duly existing as such within the State under the Constitution and laws of the State acting as an entity to provide paramedic and emergency services. Under the provisions of the Constitution and laws of the State, the Sublessee is authorized to enter into the transactions contemplated by this Sublease and to carry out its obligations hereunder. The Sublessee has duly authorized and approved the execution and delivery of this Sublease by proper action. The Sublessee 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 construction of the Project will be in furtherance of the purposes of the Sublessee and is in the best interests of the Sublessee, County and Authority.

(c) During the Sublease Term, the Project will at all times be used for the purpose of performing one or more authorized functions consistent with the permissible scope of the Sublessee under the Constitution and laws of the State.

(d) The Sublessee 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. Neither the execution and delivery of this Sublease, nor the performance by the Sublessee of its obligations under this Sublease will constitute on the part of the Sublessee 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 Sublessee 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 Sublessee, threatened, on any basis, therefor, before any court or administrative agency which may adversely affect the Sublessee or ability of the Sublessee to perform its obligations under this Sublease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Sublessee of this Sublease, or in connection with the carrying out by the Sublessee of its obligations under this Sublease, have been obtained.

(f) The Sublessee covenants to cause to be included in its annual tentative budget a request for appropriation, in accordance with applicable law, of an amount necessary (after taking into account any moneys then legally available for such purpose) to pay the Base Rentals and any reasonably anticipated Additional Rentals for the Project during the next succeeding Renewable Term.

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

(a) The County is a political subdivision and body politic of the State and duly organized and existing under the laws of the State and has the power and authority to enter into this Sublease and has duly authorized and approved the execution and

delivery of this Sublease by proper action. The Lease under which the Sublessor is leasing the Project from the Authority has been duly executed, approved, and delivered by the Sublessor and constitutes a valid and legally binding obligation of the Sublessor enforceable in accordance with its terms.

(b) The Sublessor will not pledge Base Rentals, Additional Rentals, or any of its other rights hereunder and will not assign its leasehold interest in or encumber the Project except as provided hereunder and under the Master Resolution and the Security Documents. All property and moneys received by the Sublessor under this Sublease will, so long as no Event of Nonappropriation or Event of Default shall occur hereunder, be applied for the benefit of the Sublessee, and Base Rentals received by the Sublessor hereunder will be pledged for the benefit of the Bondholders of the Series 2020 Bonds; provided, however, that Sublessee shall pay the Base Rentals directly to Lender during the Original Term.

(c) Neither the execution and delivery hereof, nor the fulfillment of 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 Sublessor is now a party or by which the Sublessor 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 Sublessor, except Permitted Encumbrances.

(d) Except as otherwise provided herein, in the Master Resolution and the Security Documents, the Sublessor will not assign this Sublease, its rights to payments from the Sublessee 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.

(e) There is no action, suit, or proceeding pending or, to the best knowledge of the Sublessor, threatened, or any basis therefor, before any court or administrative agency which might adversely affect the Sublessor or the ability of the Sublessor to perform its obligations under this Sublease, the Lease or the Series 2020 Bonds. All authorizations, consents, and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Sublessor of this Sublease, and the Lease or in connection with the carrying out by the Sublessor of its obligations under this Sublease, the Lease and the Series 2020 Bonds have been obtained.

ARTICLE III

DEMISING CLAUSE

Section 3.1 Lease of Property. The Sublessor leases the Project to the Sublessee and the Sublessee leases the Project from the Sublessor, subject only to the terms of this Sublease and Permitted Encumbrances, to have and to hold for the Sublease Term unless sooner terminated as

expressly provided herein. Nothing in this Sublease shall be construed to require the Sublessee to operate the Project other than as the sublessee hereunder.

Section 3.2. Ingress and Egress. The District hereby grants to the Authority the right and non-exclusive license to access the Property for vehicular and pedestrian ingress and egress to the Property, but not otherwise (the “License”). The District’s occupancy and use of the ingress and egress area (the “Ingress and Egress Area”) to the Property shall be subject to reasonable rules and regulations as the Authority may impose from time to time. The District’s occupancy and use of the Property shall be at its sole risk, cost, and expense, and the Authority shall have no responsibility or liability for, and the District hereby expressly waives, any and all claim against the Authority for any loss of or damage to any personal property, regardless of cause. Without limiting the generality of the above waiver, the District expressly waives any claim against the Authority for any loss of or damage to any personal property located in the Ingress and Egress Area on the Property or that of any employee, agent, contractor or invitee of the District using the Ingress and Egress Area. If the whole or any material part of the Ingress and Egress Area shall be damaged or destroyed, this Sublease and rights granted herein shall terminate with respect to such whole or material part as of the date of such damage or destruction. The Authority shall be entitled to any and all proceeds of insurance payable on account of such damage or destruction, and the District shall have no right, title, or interest whatsoever therein. The Authority reserves the right to relocated the Ingress and Egress Area by giving the District prior written notice of such intent to relocate.

ARTICLE IV

SUBLEASE TERM

Section 4.1 Original Term. The Sublease shall commence on the Effective Date and mature on the date specified in the Master Resolution. Accordingly, the Authority is not obligated hereunder unless and until the Series 2020 Bonds closing occurs. So long as the Sublessee occupies the Project, the Sublessor shall be deemed to occupy the Project, and such use of the Project by the Sublessee shall serve as notice of renewal of the Lease by the Sublessor, providing the Sublessee is occupying the Project at the beginning of a Renewal Term under the Lease.

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

- (a) the occurrence of an Event of Nonappropriation with respect to Base Rentals and Additional Rentals required hereunder with respect to the Project;
- (b) an Event of Default and the election of the Sublessor or the County to terminate this Sublease under Article XIV hereof;
- (c) the discharge of the lien of the Master Resolution under Article IX thereof;

(d) the termination of the Sublease Term pursuant to the damage, destruction or condemnation of the Project and the deposit of the Net Proceeds of any performance bond, insurance policy or condemnation award into the Bond Fund; or

(e) January 1, 2100 if this Lease is not earlier terminated.

ARTICLE V

ENJOYMENT OF PROJECT

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

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

ARTICLE VI

PAYMENTS BY THE SUBLESSEE

Section 6.1 Base Rentals. During the Original Term, Sublessee shall pay the payment amounts required under the Series 2020 Bonds as the “Base Rentals,” as shown in Exhibit A (*Amortization Schedule*), which Base Rentals shall be paid to the Lender directly. During the Renewal Terms, the Base Rentals shall be calculated based on market value at the time of renewal, or any other amount deemed reasonable by the Parties at that time and paid to the Authority. The Authority and EMS hereby determine and agree that the Base Rentals, together with good and valuable consideration received by the County under and pursuant to the Master Lease, represent reasonable rental for the use of the Property. In making such determination, the Authority and EMS have given consideration to the current value of the Property, the execution of the Master Lease and the rentals payable thereunder, the financing by the Authority of the 2020 Project, the uses and purposes for which the 2020 Project will be employed by the County, the benefit to the citizens of the County by reason of the improvement of the 2020 Project and the use and occupancy of such facilities pursuant to the terms and provisions of the Master Lease.

Section 6.2 Nonappropriation. In the event the Sublessee fails to budget and appropriate sufficient funds to pay the Base Rentals prior for the payment of the (i) Base Rentals becoming due with respect to the Project, and (ii) such Additional Rentals becoming due with respect to the Project which can be determined with reasonable accuracy, then an Event of Nonappropriation with respect to the Project shall be deemed to have occurred as of the first day of such Renewal Term. Thereafter, the Sublessee shall have the option to (a) make payment immediately of Base Rentals or Additional Rentals with respect to the Project beyond the date of such Event of Nonappropriation or (b) surrender possession of the Project. During the Original Term, the Authority shall, upon the occurrence of an Event of Nonappropriation and upon the prior written consent of the Sublessor, have all rights and remedies to take possession of the Project as trustee for the benefit of the Bondholders of the Series 2020 Bonds 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 the Master Resolution until the principal of and interest on the Bonds are paid in full and any excess shall thereafter be paid to the Sublessee.

The parties hereto agree that, upon the occurrence of an Event of Nonappropriation with respect to the Project and failure of the Sublessee to pay Base Rentals, the Sublessee shall immediately quit and vacate such Project.

Section 6.3 Request for Appropriation. To the extent permitted by law, the Sublessee covenants and agrees as follows:

- (a) During the term of this Sublease, the Sublessee covenants and agrees (i) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of the Sublessee 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 Sublessee's operation or subleasing of the Project) to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided herein) for the Project 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 Sublessee for its consideration seeks an appropriation of moneys sufficient to pay such Base Rentals and Additional Rentals for each such Renewal Term. The first such inclusion in the Sublessee's annual tentative budget shall be made under applicable law in the fiscal year commencing January 1, 2021.
- (b) To effect the covenants set forth in (a) above, the Sublessee hereby directs its "budget officer" 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 Sublessee, in any year

in which this Sublease is in effect, items for all payments required for the ensuing Renewal Term under this Sublease. It is hereby expressed as the intention of the Sublessee that the decision to renew or not to renew the term of this Sublease is to be made solely by the governing body of the Sublessee 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 Sublessee, acting in his or her individual capacity as such. In this connection, the Sublessee 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 Sublessee; provided, however, that nothing in this Section shall be construed to give Sublessee the unilateral right to renew this Sublease.

ARTICLE VII

NONSUBORDINATION OF DISTRICT'S INTEREST

The Authority is willing to finance the Project by the issuance of the Series 2020 Bonds in accordance with this Sublease, the Master Lease, and the Master Resolution; provided, however, it is understood and agreed that only the Authority's leasehold interest in the Project Property will be used as security for the payment of the principal, premium, if any, and interest in such Series 2020 Bonds. It is hereby acknowledged that improvements constructed on the Property, including but not limited to Project, will or may be used as security for the Series 2020 Bonds. In addition, it is understood that the District intends to assign its interest, as Sublessee, in and to this Sublease to the Authority to secure the Series 2020 Bonds.

ARTICLE VIII

INTEREST IN THE PROJECT; CONVEYANCE TO THE SUBLESSEE; SECURITY INTEREST

Section 8.1 Interest in the Project. The title in the Project and any and all additions, repairs, replacements, or modifications thereto, shall be held in the name of the County, subject to the Permitted Encumbrances. Title to the Project and any and all additions and modifications thereto and replacements thereof shall be held in the name of the County. The District shall have no right, title, or interest in the Project or any additions and modifications thereto or replacements thereof, except its reversionary rights by law as lessee.

Section 8.2 No Encumbrance, Mortgage, or Pledge. Neither the Authority nor the District shall directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Project except as expressly permitted in this Sublease, the Master Resolution, and the Master Lease.

ARTICLE IX

MAINTENANCE; TAXES; INSURANCE; AND OTHER CHARGES

Section 9.1 Maintenance of the Project by the Sublessee. The Sublessee agrees that at all times during the Sublease Term the Sublessee will, at the expense of the Sublessee maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition and that the Sublessee will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals with respect to the Project. The Bondholders shall have no responsibility for any of these maintenance matters or for the making of improvements or additions to the Project.

Without limiting the generality of the foregoing, the Sublessee shall, at the Sublessee's sole cost and expense, as if the Sublessee were the absolute owner thereof assume all responsibility for the Project (including all surfaces of the buildings and entrances thereto, foundations, ceilings, roof, all glass and show window moldings, and all partitions, doors, fixtures, equipment, and appurtenances thereto, including lighting and plumbing systems and fixtures, sewage facilities, electric motors, and heating, ventilating and air-conditioning systems, and all landscaping, parking lots, driveways, fences, and signs located on the Property and all sidewalks and parkways located adjacent to the Project) and pay all costs of any kind (including operating costs and costs of repair, whether of a capital nature or otherwise) associated therewith.

Section 9.2 Taxes, Other Governmental Charges, and Utility Charges. In the event that the Project 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 Project, an Additional Rental with respect to the Project, from and to the extent of Interlocal Funds, shall be paid by the Sublessee equal to the amount of all such taxes, assessments, and governmental charges then due. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Sublessee shall be obligated to provide for Additional Rentals with respect to the Project only for such installments as are required to be paid during that period that the Sublessee is obligated to pay Base Rentals with respect to the Project. The Sublessee shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Project or any portion thereof (including, without limitation, any taxes levied upon the Project or any portion thereof which, if not paid, will become a charge on the rentals and receipts from the Project or any portion thereof prior to or on a parity with the charge thereon and the pledge and assignment thereof to be created and made in the Master Resolution), or any interest therein (including the interest of the Sublessor) or the rentals and revenues derived therefrom or hereunder. The Sublessee shall also pay as Additional Rentals with respect to the Project, as the same respectively become due, all gas, water, steam, electricity, heat, power, telephone, utility, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Project.

As long as the Sublessee is in possession of the Project and except as otherwise provided herein, it shall keep it free and clear of all liens, charges, and encumbrances (except Permitted Encumbrances and any arising through the Sublessor) and shall have the responsibility for all

management, operations, maintenance, and repair of the Project. The Sublessee in its discretion may discharge such responsibility by: (1) using its own employees; or (2) contracting for services; or (3) subleasing all or part of the Project, subject to the provisions hereof and of the Lease and the Master Resolution; or (4) any combination of such methods. No such contract or sublease shall place a greater burden on the Sublessor than provided herein, nor infringe rights granted to or retained by the Sublessor hereunder, nor violate or in any way impair the Sublessor's obligations under the Master Resolution or any other instrument, if any, securing any debt or borrowings by the Sublessor, all or substantially all the proceeds of which are to be used to finance the Project. The Authority does not agree to provide anything more than the Project 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 Project during the Sublease Term.

The Sublessee may, at the expense and in the name of the Sublessee, 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 unless the Sublessor shall notify the Sublessee 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 Project or any portion thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid forthwith. In the event that the Sublessee fails to pay any of the foregoing items required by this section, the Sublessor may (but shall be under no obligation to) pay the same, which amounts, together with interest thereon at the rate of ten (10) percent per annum.

9.3 Insurance.

a. *Property Insurance.* The Sublessee shall insure or cause to be insured the Project 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 in amounts that are not less than full insurable value of the Project. The term "full insurable value" as used herein shall mean the actual replacement value, or at the option of the Sublessee any lesser amount which is equal to or greater than the amount of all of the Bonds then Outstanding.

b. *Public Liability Insurance.* The Sublessee shall carry or cause to be carried public liability insurance in the amount of the liability caps set forth in Utah Code § 63G-7-604, as amended. In the event that the limits on governmental liability established by § 63G-7-604 are increased, the amounts required by this Section shall be deemed to be increased to such higher amounts.

c. *Worker's Compensation Coverage.* The Sublessee shall maintain, or cause to be maintained worker's compensation coverage with respect to officers, agents, and employees of the Sublessee working in, on or about the Project, including coverage for occupational diseases in the amount of the liability caps set forth in Utah Code § 63G-7-

604, as amended. In the event that the limits on governmental liability established by § 63G-7-604 are increased, the amounts required by this Section shall be deemed to be increased to such higher amounts.

e. *General Requirements.* The Authority and the County shall be made additional insureds under all such policies. Insurance policies required hereunder shall be provided by insurance companies duly admitted into the State of Utah which maintains an A.M. Best rating of “A-” or better.

f. *Certificate of Insurance.* Sublessee shall provide certificates of insurance within ten (10) days of execution of this Sublease and shall provide annual certificates on or before January 30 of each year during the Sublease Term. The Certificates shall show the following: a) policy coverage in the amounts required herein; b) designation of the County as an Additional Insured; and c) an endorsement for Waiver of Subrogation. Early cancellation or termination of the County’s coverage hereunder shall constitute default. Policies providing said insurance shall require that notice of cancellation of any said insurance must be furnished to the Authority and the Sublessor by the insurance carrier thirty (30) days in advance of cancellation.

g. *Proceeds.* All such insurance policies 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 shall be applied as provided in Section 10.2 or, at the option of the Sublessee, Section 10.3 of the Lease.

h. *Survival.* This Section shall survive expiration or termination of this Sublease.

Section 9.4 Advances. In the event that the Sublessee shall fail to maintain the full insurance coverage required by this Sublease or shall fail to keep the Project in good repair and operating condition, the Sublessor 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 1% per annum, the Sublessee agrees to pay.

Section 9.5 Failure to Provide Insurance. In the event the Sublessor pays for any insurance policies required by this Article, the Sublessee will promptly pay directly to the Sublessor all premiums for said insurance, and until payment is made by the Sublessee therefor, the amount of all such premiums which have been paid by the Sublessor shall bear interest at the per annum rate of 10%. The Sublessee shall, upon the Sublessor’s reasonable request, deposit with the Sublessor 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 Sublessee further agrees, upon the Sublessor’s request, to cause all bills, statements or other documents relating to the foregoing insurance premiums to be sent or mailed directly to the Sublessor. If at any time and for any reason the funds deposited with the Sublessor are or will be insufficient to pay such amounts as may then or subsequently be due, the Sublessor shall notify the Sublessee and the Sublessee shall immediately deposit an amount equal to such

deficiency with the Sublessor.

ARTICLE X

DAMAGE, DESTRUCTION, AND CONDEMNATION; USE OF NET PROCEEDS

Section 10.1 Damage, Destruction, and Condemnation. If, prior to the termination of the Sublease Term and the payment in full of the Series 2020 Bonds (or the making of provisions for the payment thereof in accordance with the Master Resolution) (i) the Project or any material portion thereof shall be destroyed (in whole in part), or damaged by fire or other casualty; or (ii) a material defect in construction the Project shall become apparent, the Sublessee shall be obligated, subject to the provisions of Section 10.3 of this Sublease, to continue to pay the amounts specified in Sections 10.2, 6.2 and 6.3 of this Sublease regardless of whether the Project shall have been accepted.

Except as otherwise provided in the Master Lease, if during the Sublease Term, the Project or any material portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty, the Net Proceeds of any insurance policy shall be deposited and utilized by the Authority in accordance with the provisions of the Master Lease and the Master Resolution.

Section 10.2 Repair and Project Replacement of the Project. The Net Proceeds of any insurance policies, performance bonds, or condemnation awards with respect to the Project shall be utilized as provided in the Lease for the repair and replacement of the Project or for the payment of the bonds. If the Net Proceeds shall be insufficient to pay in full the cost of any repair, restoration, modification or improvement, the Sublessee and/or the Sublessor may complete the work and pay any cost in excess of the amount of the Net Proceeds. The Sublessee agrees that, if by reason of any such insufficiency of the Net Proceeds, the Sublessee shall make any payments pursuant to this Section 10.2, the Sublessee shall not be entitled to any reimbursement hereof or from the Sublessor, the Authority or the Bondholders nor shall the Sublessee be entitled to any diminution of the Base Rentals and Additional Rentals payable under Sections 6.2 and 6.3 of this Sublease. The Sublessee and/or the Sublessor further agree 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, the Lease, this Sublease, and the Security Documents and shall be included under the terms hereof.

Section 10.3 Determination Not to Repair and Replace the Project. Subject to Master Resolution and Master Lease, in the event the Sublessor determines not to repair and replace the Project, but instead to apply the Net Proceeds to the payment of the bonds as provided in the Lease, all obligations of the Sublessee under this Sublease shall be discharged upon deposit of said 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 Sublessee shall have no further obligation for the payment of Base Rentals and Additional rentals hereunder, and possession of the Project as well as all rights created pursuant to this Sublease and the interest of the Sublessor, the Sublessee and the Authority therein and in any funds or accounts created under the Master Resolution (except for

moneys held in the Rebate Fund or held for the payment of Series 2020 Bonds not then deemed Outstanding), shall be surrendered to the Bondholders. Thereafter, the Authority's interest in the Project may be liquidated pursuant to the provisions of and subject to the limitations set forth in the Master Resolution, the Master Lease, and Security Documents and the proceeds of such liquidation and the Net Proceeds of any insurance policy, performance bond, or condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Project.

ARTICLE XI

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

Section 11.1. Disclaimer of Warranties. NEITHER THE AUTHORITY NOR THE SUBLESSEE MAKES ANY WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE PROPERTY'S VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY OF THE FIXTURES THEREIN OR UTILITIES SERVING THE SAME OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT. In no event shall the Authority be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Sublease or the existence, furnishing, functioning or the use by the Sublessee of any item, product, or service provided for herein. Sublessee shall undertake and be responsible for all necessary utility and access upgrades necessary to serve the Project at its sole cost.

Section 11.2. Further Assurances and Corrective Instruments. The Sublessor and the Sublessee 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 correcting any inadequate or incorrect description of the Project hereby subleased or intended so to be or for carrying out the intention hereof.

Section 11.3. County Representative and District Representative. Whenever under the provisions hereof the approval of the Sublessee or the Sublessor is required to take some action at the request of the other, such approval or such request shall be given for the Sublessee by the District Representative and for the Sublessor by the County 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 Sublease Term, the Sublessee and the Sublessor shall observe and comply promptly with all laws, ordinances, orders, rules, and regulations as the same become effective, of the federal, state, county, and city governments and of all courts or other governmental authorities having jurisdiction over the Project or any portion thereof and of all their respective departments, bureaus, and officials, and of the insurance regulatory agencies having jurisdiction over the Project, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Project or any portion thereof, whether the same are in force at the commencement of the Sublease Term or may in the future be passed, enacted or directed.

Section 11.5. Inspection of the Project. The Sublessee and the Sublessor agree that the County and its duly authorized agents shall have the right at all reasonable times during the Sublease Term to enter upon the Project and to examine and inspect the Project. 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 Sublessee and the Sublessor with respect to the Project.

Section 11.6. Refunding Bonds. Refunding Bonds may be issued by the Authority in accordance with the provisions of Section 3.9 of the Master Resolution.

Section 11.7. Issuance of Additional Bonds. Additional Bonds may be issued by the Authority in accordance with the provisions of Section 3.10 of the Master Resolution.

ARTICLE XII

ASSIGNMENT, SUBLEASING, INDEMNIFICATION AND SELLING

UPDATE ARTICLE AND SECTION NUMBERS FROM HERE TO END

Section 12.1. Indemnification Covenant; Cooperation of Authority, and Sublessor. Sublessee shall and hereby agrees to indemnify, defend, and save the Sublessor 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 Project during the Sublease Term from: (i) any condition the Project; and (ii) any act or negligence of the Sublessee or of any of its agents, contractors, or employees or any violation of law or the breach of any covenant or warranty hereunder. In no event will the Sublessor voluntarily settle or consent to the settlement of, any proceeding arising out of any claim to the Project without the written consent of the District Representative.

Section 12.2. Installation of the Furnishings and Machinery of the Sublessee. The Sublessee may, from time to time in its sole discretion and at its own expense, install machinery, equipment, and other tangible property in the Project. All such machinery, equipment, and other tangible property, except any machinery, equipment, and other tangible property substituted for machinery, equipment, and other tangible property purchased with proceeds of the Series 2020 Bonds as provided in Section 13.5, shall remain the sole property of the Sublessee, in which neither the Authority, the Bondholders nor the Sublessor shall have any interest and may be removed by the Sublessee at any time; provided, however, that the Sublessee shall be obligated to repair any damage to the Project, at its own cost and expense, resulting from any such removal.

Section 12.3. Equipment Purchased with Proceeds of the Series 2020 Bonds. Any item of equipment purchased with proceeds of the Series 2020 Bonds shall be labeled, to the extent practicable, to indicate that it is owned by the Sublessor, subject to the Master Resolution, the Master Lease, and this Sublease. Such Equipment may not be relocated by the Sublessee from the Project. Any item of the equipment which shall be determined by the Sublessee to be no

longer usable in connection with the Project may be sold by the Sublessee after written notice and approval of the Sublessor, and the proceeds thereof deposited in the Bond Fund. Upon any such sale, the equipment so sold shall be released from the Master Resolution, the Master Lease, this Sublease, 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 Sublease:

- (a) Failure by the Sublessee to pay any Base Rentals or Additional Rentals required to be paid under Sections 6.2 and 6.3 of this Sublease at the time specified therein, in the absence of an Event of Nonappropriation with respect to the Project, for a period of five (5) days after written notice, specifying such failure and requesting that it be remedied, given to the Sublessee by the CIB or Sublessor or, in any event, a failure by the Sublessee to make such payments within fifteen (15) days after the date on which they are due; or
- (b) Failure by the Sublessee 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 Sublessee by the Sublessor, unless the Sublessor, with the consent of 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 period, the Sublessor shall not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the Sublessee within the period and diligently pursued until the default is corrected; or
- (c) Abandonment or vacation of the Project by the Sublessee; or
- (d) The assignment or transfer of the Sublessee’s interest in this Sublease or any part thereof without the written consent of the Sublessor, either voluntarily or by operation of law, except as permitted hereunder; or
- (e) The filing of any petition by the Sublessee or institution of any proceedings wherein or whereby it seeks to be adjudicated a bankrupt, or to be discharged from any and all of its debts or obligations, or offers to the Sublessee’s creditors to effect a composition or extension of time to pay the Sublessee’s debts, or seeks a reorganization or a readjustment of the Sublessee’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 Sublessee and the same shall not have been dismissed or otherwise resolved in favor of the Sublessee within sixty (60) days from the filing or institution thereof.

Section 14.2. Remedies on Default. Whenever any Event of Default referred to in Section 14.1 of this Sublease shall have happened and be continuing, the Sublessor shall have the right, at their or its option 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 Project; or
- (b) Take whatever action at law or equity may appear necessary or desirable to enforce their or its rights in and to the Project.

The obligation of the Sublessee to vacate the Project as provided in Section 6.5 of this Sublease shall also apply to an Event of Default. Further, during the Original Term, any amounts collected pursuant to action taken under the remedies of 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 Sublessee by reason of an Event of Default or an Event of Nonappropriation under this Sublease. In the event the security interest created under the Master Resolution, the Master Lease, this Sublease or the appropriate 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 Sublessee or the Sublessor.

Section 14.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Sublessor 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 Sublessor 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 with respect to the Project, 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.

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. Sublease Term. This Sublease shall remain in full force and effect from the date hereof until the termination of the Sublease Term as provided in Section 4.2 of this Sublease.

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 Sublessor, Municipal Building Authority of Grand County, 125 East Center, Moab, Utah, 84532, Attention: President and Chairman of the Board; if to the Sublessee, Grand County Emergency Medical Services, 540 East 100 North, Moab, Utah, 84532. The Sublessor, the Bondholders, and the Sublessee 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 Sublease shall inure to the benefit of and shall be binding upon the Sublessor, the Sublessee and their respective successors and assigns, subject, however, to the limitations contained in Sections 2.1 (a), 2.2(b) and of this Sublease.

Section 15.4. Severability. In the event any provision of this Sublease 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 Sublease were to invalidate the Series 2020 Bonds, such provision shall be rendered invalid and unenforceable, but shall not invalidate or render unenforceable any other provision hereof.

Section 15.5. Amendments, Changes, and Modifications. Subsequent to the issuance of Series 2020 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 Sublease may not be effectively amended, changed, modified, altered or terminated except as provided in Article XII of the Master Lease.

Section 15.6. Execution in Counterparts. This Sublease 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 15.7. Net Lease. This Sublease shall be deemed and construed to be a "net lease" to the Sublessor and the Sublessee shall pay the Sublessor absolutely net during the Sublease 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 Sublease shall be governed by and construed in accordance with the laws of the State of Utah.

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

Section 15.11. No Personal Liability. No person executing this Sublease or any of the Series 2020 Bonds, the Master Resolution, the Master Lease, or the Security Documents shall be subject to personal liability or accountability by reason of such action or the issuance of the Series 2020 Bonds.

Section 15.12. No Merger. The parties hereto agree that the doctrine of merger shall not operate to destroy or terminate the leasehold interest granted to the Sublessee under this Sublease.

IN WITNESS WHEREOF, this Sublease is effective as of the Effective Date specified herein.

MUNICIPAL BUILDING AUTHORITY OF GRAND COUNTY, UTAH

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Secretary

GRAND COUNTY EMERGENCY SPECIAL SERVICE DISTRICT

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Secretary

