

WHEN RECORDED PLEASE RETURN TO:

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MASTER LEASE AGREEMENT

DATED AS OF APRIL 1, 2022

BETWEEN

LOCAL BUILDING AUTHORITY OF ALPINE SCHOOL DISTRICT, UTAH COUNTY, UTAH

Lessor,

AND

BOARD OF EDUCATION OF ALPINE SCHOOL DISTRICT,
UTAH COUNTY, UTAH,

Lessee.

As set forth in Sections 4.05 and 11.02(c) hereof, the interest of the Local Building Authority of Alpine School District, Utah County, Utah in this Master Lease Agreement and all Base Rentals and certain other amounts receivable hereunder have been assigned to Zions Bancorporation, National Association, as Trustee under that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of April 1, 2022, among the Local Building Authority of Alpine School District, Utah County, Utah, Zions Bancorporation, National Association, as trustee, and Zions Bancorporation, National Association, as beneficiary and are subject to the lien and security interest of Zions Bancorporation, National Association, as Trustee.

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but is only for convenience of reference.)

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MASTER LEASE AGREEMENT

THIS MASTER LEASE AGREEMENT, dated as of April 1, 2022 (the "*Lease*"), by and between the LOCAL BUILDING AUTHORITY OF ALPINE SCHOOL DISTRICT, UTAH COUNTY, UTAH (the "*Lessor*"), a Utah nonprofit corporation acting as a public entity and instrumentality of the State of Utah, whose mailing address is 575 North 100 East, American Fork, Utah 84003, and the BOARD OF EDUCATION OF ALPINE SCHOOL DISTRICT, UTAH COUNTY, UTAH (the "*Lessee*"), a duly organized and existing body corporate and a political subdivision of the State of Utah, whose mailing address is 575 North 100 East, American Fork, Utah 84003.

WITNESSETH:

WHEREAS, the Lessee desires the Lessor to undertake certain costs of the acquisition, construction and improvement of certain projects pursuant to the Local Building Authority Act, Title 17D, Chapter 2 Utah Code Annotated 1953, as amended (the "*Act*"), consisting of the construction on a certain tract of land situated in Utah County, Utah and more particularly described in *Exhibit A* attached hereto (the "*Facility Sites*") of an elementary school and a transit facility on behalf of the Lessee and the inhabitants of Alpine School District (the "*District*"), and all related improvements, facilities, properties and appurtenances thereto (the foregoing being collectively referred to herein as the "*District Facilities*"); and

WHEREAS, the Lessee, as owner of marketable fee simple title to the Facility Sites, has agreed to lease to the Lessor, and the Lessor has agreed to lease from the Lessee, the Facility Sites pursuant to that certain Ground Lease, dated as of the date hereof, between the Lessor and the Lessee; and

WHEREAS, the Lessor is willing to sublease the Facility Sites and to lease the District Facilities to the Lessee, and the Lessee desires to lease the District Facilities from the Lessor and sublease the Facility Sites from the Lessor, upon the terms and conditions and for the purposes set forth herein; and

WHEREAS, pursuant to and in accordance with the provisions of the Act, by resolution duly adopted by the governing body of the Lessee, the Lessee has heretofore approved (prior to commencement of the acquisition and construction of the District Facilities), the plans, specifications and estimated costs for the District Facilities; and

WHEREAS, the Lessor and the Lessee are empowered to enter into this Lease pursuant to applicable law, including particularly Section 17D-2-401, Utah Code Annotated 1953, as amended;

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES AND AGREEMENTS HEREIN CONTAINED, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. All words and phrases defined in Article I of the Indenture shall have the same meaning when used in this Lease. In addition, the following words and phrases shall have the following meanings for all purposes of this Lease:

“Acquisition” (and other forms of the word *“acquire”*), when used with respect to any portion of the District Facilities, shall mean and include, without limitation, the acquisition, construction, installation, improvement, renovation and extension of the District Facilities in accordance with the applicable Project Documents.

“Additional Rentals” shall mean the amount or amounts payable by the Lessee pursuant to Section 4.01(b) hereof.

“Agency Agreement” shall mean that certain Construction Agency Agreement, dated as of April 1, 2022, between the Lessor and the Lessee, as the Lessor’s agent for purposes of causing the Acquisition of the District Facilities.

“Authorized Lessee Representative” shall mean the person or persons at the time designated, by written certificate furnished to the Lessor and the Trustee, as the person or persons authorized to act on behalf of the Lessee. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the Lessee by the President of the Board, and may designate an alternate or alternates. The Authorized Lessee Representative may, but need not, be an employee of the Lessee.

“Authorized Lessor Representative” shall mean the person or persons at the time designated, by written certificate furnished to the Lessee and the Trustee, as the person or persons authorized to act on behalf of the Lessor. Such certificate shall contain the specimen signature of such person or persons, shall be signed on behalf of the Lessor by its President or Vice President and may designate an alternate or alternates. The Authorized Lessor Representative may, but need not, be an employee of the Lessor.

“Base Rental Payment Commencement Date” shall mean March 15, 2023, which is the date on which the Lessee becomes obligated to commence payment of Base Rentals hereunder pursuant to Section 4.01(a) hereof.

“Base Rental Payment Date” shall mean the first day of each March and September during the term of the Lease.

“Base Rentals” shall mean the amount or amounts (comprising a principal component and an interest component) payable by the Lessee pursuant to Section 4.01(a) hereof in consideration of the use and enjoyment of the Leased Property during the term of this Lease, on the dates and in the amounts as set forth in the Base Rental Payment Schedule specified in *Schedule I* attached hereto and as such *Schedule I* may be revised hereafter in accordance with Section 608 of the

Indenture. In the event of a partial redemption of Bonds or the issuance of Additional Bonds as provided in the Indenture, the Base Rentals are to be recalculated by the Lessor and provided to the Trustee and the Lessee and shall be binding upon the Lessee as more fully set forth in Section 4.01(a) hereof and Section 609 of the Indenture.

"Board" means the Board of Education of the Lessee.

"Bond Counsel" shall mean Farnsworth Johnson PLLC or an attorney or a firm of attorneys (which is mutually acceptable to the Lessee and the Trustee) of nationally recognized standing in matters pertaining to the tax-exempt status of interest on obligations issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and any applicable regulations thereunder.

"Contractor" shall mean such reputable contractor or contractors designated as general contractor for the District Facilities.

"Deed of Trust" means that certain Leasehold Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement, dated as of April 1, 2022, among the Lessor, the Trustee, as trustee under the Deed of Trust and the Trustee, as beneficiary under the Deed of Trust.

"District" means Alpine School District, Utah County, Utah.

"District Facilities" shall mean (i) the elementary school and transit facility to be constructed on the Facility Sites on behalf of the Lessee and the inhabitants of the District and all related improvements, facilities, properties and appurtenances thereto and (ii) any additional projects Acquired pursuant to this Lease.

"Event of Default" shall mean one or more of the events described in Section 15.01 hereof.

"Event of Nonappropriation" shall mean a nonrenewal of the term of the Lease by the Lessee, determined by the failure or refusal of the governing body of the Lessee to appropriate, specifically with respect to the Lease, moneys sufficient (after taking into account any moneys legally available for such purpose to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01(b) hereof) for the next succeeding Renewal Term as provided herein or determined by the unavailability of such moneys for such purpose for any other reason. The existence or nonexistence of an Event of Nonappropriation shall be determined as of the date on which the governing body of the Lessee fails or refuses to adopt a final budget in accordance with applicable law which appropriates sufficient moneys to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term as contemplated by Section 3.01 hereof or on any earlier or later date on which the Trustee receives written notice from the Lessee that the governing body of the Lessee has failed or refused to make such appropriations and the term of the Lease will not be renewed; *provided, however*, that the Trustee may waive any Event of Nonappropriation which is cured by the Lessee within a

reasonable time if, in the Trustee's judgment, such waiver is in the best interests of the owners of the Bonds, except as otherwise provided in Section 4.09(a) hereof. Notwithstanding anything herein to the contrary, the Lessee's failure or refusal to adopt a final budget in accordance with applicable law on or before June 30 during the term of the Lease which appropriates sufficient moneys to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term shall constitute an Event of Nonappropriation.

"Facility Sites" shall mean those certain tracts of land situated in Utah County, Utah and more particularly described in *Exhibit A* attached hereto.

"Fiscal Year" shall mean the twelve-month period used from time to time by the Lessee for its financial accounting purposes, such period currently extending from July 1 to the next succeeding June 30.

"Ground Lease" shall mean that certain Ground Lease, dated as of the date hereof, between the Lessor and the Lessee, pursuant to which the Lessee agrees to lease to the Lessor, and the Lessor agrees to lease from the Lessee, the Facility Sites and District Facilities.

"Indenture" shall mean that certain Indenture of Trust, Mortgage, Assignment of Lease Agreement and Security Agreements, dated as of the date hereof, between the Lessor, as trustor, mortgagor and debtor, and the Trustee, as trustee, mortgagee and secured party, and any amendments and supplements thereto as therein provided.

"Initial Term" shall have the meaning specified in Section 3.01 hereof.

"Lease" shall mean this Master Lease Agreement, including the *Exhibits* and *Schedules* attached hereto and incorporated herein, and any amendments and supplements hereto as herein and in the Indenture provided.

"Leased Property" shall mean, collectively, the District Facilities and the Facility Sites leased and to be leased to the Lessee pursuant hereto.

"Lessee" shall mean the Board of Education of Alpine School District, Utah County, Utah, a duly organized and existing body corporate and a political subdivision of the State of Utah in its capacity as lessee under the Lease.

"Lessee's Counsel" shall mean the duly appointed attorney of the Board or his designee, who regularly or by special appointment represents the Lessee in legal matters.

"Lessor" shall mean the Local Building Authority of Alpine School District, Utah County, Utah, a Utah nonprofit corporation acting as a public entity and instrumentality of the State of Utah performing essential governmental functions on behalf of the Lessee, and any successor to the duties or functions of the Lessor.

"Permitted Encumbrances" shall mean, as of any particular time, (a) liens for taxes, assessments and other governmental charges not then delinquent; (b) this Lease, the Indenture, the

Ground Lease and any financing statements naming the Lessor or the Lessee as debtor and naming the Lessor or the Trustee as secured party now or hereafter filed to perfect the lien and security interests granted by the Indenture, the Deed of Trust and this Lease; (c) utility, access and other easements and rights-of-way, mineral rights, restrictions and exceptions that an Authorized Lessee Representative certifies to the Trustee will not materially interfere with or impair the operations being conducted in or on the Leased Property (or, if no operations are being conducted therein or thereon, the operations for which the Leased Property was designed or last modified); (d) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right in respect thereof if payment is not yet due and payable under the contract in question; (e) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Leased Property and (i) as do not, in the opinion of the architect supervising the Acquisition of the District Facilities, certified in writing to the Trustee, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Lessor or the Lessee or (ii) are adequately insured against by a title insurance policy reasonably satisfactory to the Trustee and the Lessee; (f) any liens or encumbrances being contested as provided in Section 8.01(c) or 9.01(b) hereof; and (g) any listed items in the title policy described in Section 211(a)(vi) of the Indenture.

"Plans and Specifications" shall mean the plans and specifications prepared for and showing the District Facilities, as and when they are approved by the Lessee, the same being duly certified by the Authorized Lessee Representative, which plans and specifications are on file at the principal office of the Lessee and shall be available for reasonable inspection by the Lessor, the Trustee and their duly authorized representatives.

"Project" shall mean the acquisition and construction of the District Facilities and the preparation of future school sites.

"Project Contracts" shall mean (a) any contract or contracts between the Lessee (acting in its own capacity with respect to the Acquisition of that portion of the District Facilities Acquired prior to the date hereof and in its capacity as the Lessor's agent pursuant to the Agency Agreement with respect to the Acquisition of any portion of the District Facilities to be Acquired after the date hereof) or the Lessor and any Contractor or Contractors and between any Contractor or subcontractor and his immediate subcontractor regarding the District Facilities and (b) any other contract or contracts entered into by the Lessee or the Lessor relating to the Acquisition of the District Facilities, including without limitation the Ground Lease, a copy of which is or will be on file with the Lessee.

"Project Documents" shall mean (a) the Plans and Specifications, including change orders (if any) as permitted by Section 5.04 hereof; (b) the survey of the Facility Sites Building Sites, prepared by a registered land surveyor in accordance with standard requirements for land title surveys, showing the location of all improvements, easements, encroachments and other encumbrances on the Facility Sites; (c) any necessary permits for the Project, including any building permits and certificates of occupancy; (d) the Project Contracts and the contract with any project manager for the Project; (e) policies of title, casualty, public liability and workers' compensation insurance, or certificates thereof, as required by the Lease with respect to the Leased Property; (f) performance and payment bonds with respect to the Project; (g) the executed contract

with the architect hired by the Lessee in connection with the preparation of the Plans and Specifications and (h) any and all other documents executed by or furnished to the Lessee or a Contractor in connection with the Project.

“*Renewal Term*” shall have the meaning specified in Section 3.01 hereof.

“*Rentals*” shall mean the total amount of the Base Rentals and the Additional Rentals payable during the Initial Term and each Renewal Term hereunder.

“*Term of the Lease*” or “*term of this Lease*” with respect to the possessory interest of the Lessee shall mean the Initial Term and any Renewal Terms as to which the Lessee exercises its option to renew the term of the Lease as provided in Section 3.01 hereof, subject to the provisions hereof concerning termination of certain of the Lessee’s obligations hereunder.

“*Trustee*” shall mean Zions Bancorporation, National Association, of Salt Lake City, Utah, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee under the Indenture.

ARTICLE II

DEMISE

Section 2.01. Demise of the Leased Property. The Lessor does hereby rent, lease and demise to the Lessee, and the Lessee does hereby take, accept and lease from the Lessor, the Leased Property, subject to Permitted Encumbrances, on the terms and conditions and for the purposes herein set forth, together with all easements, rights and appurtenances in connection therewith or thereto belonging, to have and to hold for the term of the Lease.

ARTICLE III

TERM OF THE LEASE

Section 3.01. Commencement of the Term of the Lease. The initial term of this Lease shall commence as of April 1, 2022, and shall expire at midnight on June 30, 2022 (the “*Initial Term*”), subject to the Lessee’s option to extend the term of this Lease for additional and consecutive one-year renewal terms commencing July 1, 2022, and a final renewal term commencing July 1, 2041, and ending March 15, 2042 (herein referred to individually as the “*Renewal Term*” and collectively as the “*Renewal Terms*”), and subject to Section 3.02 hereof. The terms and conditions of this Lease during any Renewal Term shall be the same as the terms and conditions during the Initial Term, except that the Base Rentals will be as specified in *Schedule I* attached hereto, respectively, for each such Renewal Term, as such *Schedule* may be revised as provided in Section 608 of the Indenture. Each option shall be exercised by the adoption by the governing body of the Lessee, on or prior to June 30 of each year, of a final budget in accordance with applicable law which appropriates, specifically with respect to the Lease, moneys sufficient (after

taking into account any moneys legally available for such purpose which are then on deposit in the Bond Fund) to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01(b) hereof) for the next succeeding Renewal Term as provided herein. The adoption of such final budget, after the holding of such public hearing and compliance with the procedures required by applicable law, shall constitute the specified notice within the meaning and for the purposes of Section 17D-2-402 of the Act and automatically extend the term of the Lease for the succeeding Renewal Term without any further action required by any officers or officials of the Lessee.

Within ten (10) days after the adoption of such final budget, the Lessee shall deliver written notice (which notice may be substantially in the form attached hereto as *Exhibit B*) to the Trustee stating that the Lessee has extended the term of this Lease for the succeeding Renewal Term, describing in reasonable detail the actions taken by the governing body of the Lessee (if such actions are then required to pay any Rentals hereunder or, if no such actions are then required, explaining the reasons therefor) to appropriate funds sufficient for the purpose of paying the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01 hereof) to become due during such succeeding Renewal Term. Unless the Trustee shall have previously received the foregoing notice applicable to the next succeeding Renewal Term, the Trustee shall, on or prior to June 10 of each year, make written inquiry of the Lessee as to whether the Lessee has extended the term of this Lease and whether the governing body of the Lessee shall have made the appropriation necessary to pay the Base Rentals and reasonably estimated Additional Rentals to become due during such succeeding Renewal Term.

The Lessee shall deliver written notice to the Trustee as soon as practicable, but in no event later than the expiration of the Initial Term or the then current Renewal Term, stating (if such is the case) that the governing body of the Lessee has failed or refused to appropriate, specifically with respect to the Lease, moneys sufficient to pay such Base Rentals and reasonably estimated Additional Rentals for the next succeeding Renewal Term and stating what actions the Lessee and its officials propose to take with respect to the Lease, the Leased Property and any budgetary procedures for any Rentals that may thereafter accrue. The option hereby granted may not be exercised at any time during which an Event of Default or an Event of Nonappropriation (except as otherwise provided in Section 4.09 hereof) has occurred and is then continuing under any of the terms of this Lease; *provided, however*, that if the Event of Default complained of (money payments excepted) is of such nature that the same is curable but not within the period allowed for curing such Event of Default, then the right of the Lessee to exercise the option hereby granted shall not be suspended if the Lessee shall have promptly commenced within such period to comply with the provisions hereof which shall have been breached by it and if and so long as the Lessee shall, with diligence and continuity, proceed to cure such Event of Default within a period not exceeding ninety (90) days from the date on which the event occurred that gave rise to such Event of Default.

In the event the governing body of the Lessee is precluded, pursuant to the provisions of Section 59-2-923, Utah Code Annotated 1953, as amended, from adopting a final budget on or prior to June 22 of any year, the Trustee may waive an Event of Non-Appropriation occurring as a result of the failure to so adopt a final budget, provided that the Trustee receives assurances satisfactory to the Trustee that the final budget will be adopted on the earliest date allowable under

applicable law and will include the appropriation to pay Rentals described in the preceding paragraph, and provided further that any Rentals which become due and payable pursuant to the terms of this Lease prior to the adoption of such final budget shall be paid by the Lessee in accordance with the tentative budget adopted by the governing body of the Lessee, as authorized pursuant to Section 59-2-923, Utah Code Annotated 1953, as amended.

Section 3.02. Expiration or Termination of the Term of the Lease. The term of the Lease will expire or terminate, as appropriate, as to the Lessee's right of possession of the Leased Property as described in Section 3.03 hereof upon the first to occur of any of the following events: (a) the expiration of the Initial Term or any Renewal Term during which there occurs an Event of Nonappropriation (which is not thereafter waived by the Trustee as herein provided); (b) an Event of Default and a termination of the term of the Lease as to the possessory interest of the Lessee by the Trustee as herein provided; (c) discharge of the Indenture as therein provided; or (d) March 16, 2042, which date constitutes the day following the last Bond Principal Payment Date of the final Renewal Term of the Lease, or such later date as all Rentals required hereunder and the Bonds shall be paid; *provided, however*, that nothing herein shall be construed to extend the term of the Lease beyond the estimated useful life of the Leased Property as certified pursuant to Section 17D-2-302 of the Act prior to the issuance of the Series 2022 Bonds.

Section 3.03. Effect on the Lessee of Expiration or Termination of the Term of the Lease. The expiration or termination of the term of the Lease as to the Lessee's right of possession and use of the Leased Property pursuant to Section 3.02 hereof shall terminate all obligations of the Lessee hereunder (except to the extent that the Lessee incurred any obligation to pay Rentals from moneys theretofore appropriated and available for such purpose) and shall terminate the Lessee's rights of use, occupancy and operation of the Leased Property; *provided, however*, that all other terms of this Lease and the Indenture, including all obligations of the Trustee with respect to the owners of the Bonds and the receipt and disbursement of funds, shall be continuing until the lien of the Indenture is discharged or foreclosed, as provided in the Indenture, except that all obligations of the Lessee to pay any amounts to the Bondowners and the Trustee hereunder shall thereafter be satisfied only as provided in the Indenture. The termination or expiration of the term of the Lease as to the Lessee's right of possession and use pursuant to Section 3.02 hereof, of itself, shall not discharge the lien of the Indenture.

ARTICLE IV

RENTALS PAYABLE

Section 4.01. Rentals Payable. The Lessee shall pay the Base Rentals and the Additional Rentals (but shall not be entitled to prepay or cause to be prepaid any such Base Rentals or Additional Rentals, except as otherwise expressly provided in Sections 4.01(c), 4.01(d) and 10.01(c) hereof, in which event such moneys shall be applied to the redemption of the Series 2022 Bonds in accordance with Article VI of the Indenture in the amounts, at the times and in the manner set forth therein, said amounts constituting in the aggregate the total of the annual Rentals payable under this Lease, as follows:

(a) *Base Rentals.* The Lessee agrees, subject to the availability of appropriations of funds to it therefor and other moneys legally available for the purpose and subject to the limitations of Section 4.04 hereof, to pay to the Trustee for the account of the Lessor as provided in Section 4.06 hereof in arrears during each Renewal Term (i) base rental representing a principal component on the respective March 15 of each year as indicated in the Schedule of Base Rental Payments under the column entitled "*Principal Component*" attached hereto as *Schedule I* and (ii) base rental representing an interest component payable in the respective installments and on the respective March 15 and September 15 of each year, commencing March 15, 2023 as indicated in the Schedule of Base Rental Payments under the column entitled "*Interest Component*" attached hereto as *Schedule I*. During the remainder of the term of the Lease, said Base Rentals shall be paid as provided in this Section for the use, occupancy and operation of the Leased Property during each of the succeeding Renewal Terms as to which the Lessee has exercised its option to extend the term of the Lease pursuant to Section 3.01 hereof. In the event that less than all of the Leased Property is initially made available for use, occupancy and operation and the Lessee accepts such portion of the Leased Property for its use, occupancy and operation pending final completion of the remainder of the Leased Property, any Base Rentals paid by the Lessee shall be prorated in a manner so as to reflect the fair rental value of that portion of the Leased Property then available for use, occupancy and operation by the Lessee and so used, occupied and operated. The Lessee understands that the Base Rental Payment Schedule attached hereto as *Schedule I* may be revised from time to time based on the redemption of Bonds or the issuance of any Additional Bonds allowed under Section 213 of the Indenture.

(b) *Additional Rentals.* In addition to the Base Rentals hereinabove set forth, and as part of the total Rentals during each Renewal Term during the term of the Lease, the Lessee shall pay on a timely basis, but only from legally available funds appropriated for such purposes or otherwise legally available therefor (provided that the Lessee shall not be obligated to seek out such additional sources), to the parties entitled thereto an amount or amounts (the "*Additional Rentals*") for the Renewal Term to which the following items apply or relate, equivalent to the sum of the following:

(i) the annual fee of the Trustee for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture and any Tax Certificate;

(ii) the reasonable fees and charges of the Trustee, any paying agent and any registrar appointed under the Indenture with respect to the Bonds for acting as trustee, paying agent and registrar as provided in the Indenture, including but not limited to those payable pursuant to Section 1004 of the Indenture, and any amount payable as indemnification pursuant to the last paragraph of Section 1004 of the Indenture;

(iii) the reasonable fees and charges of the Trustee for extraordinary services rendered by it and extraordinary expenses incurred by it as Trustee under the Indenture;

(iv) the reasonable fees and out-of-pocket expenses of the Lessor relating to the Leased Property not otherwise required to be paid by the Lessee under the terms of this Leases;

(v) the costs of maintenance, operation and repair with respect to the Leased Property and utility charges as required under Article VI hereof and any costs to repair, rebuild or replace the Leased Property as required in Section 10.01 hereof;

(vi) the costs of casualty, public liability, property damage and workers' compensation insurance as required under Article VII hereof and the costs related to any self-insurance carried or required to be carried by the Lessee as provided in Section 7.01(c) hereof;

(vii) the costs of taxes and governmental charges and assessments as required under Article VIII hereof;

(viii) an amount equal to any franchise, succession, capital levy or transfer tax, or any income, excess profits or revenue tax, or any other tax, assessment, charge or levy (however denominated), if any shall ever become due, levied, assessed or imposed by the State of Utah or any political subdivision thereof upon the Base Rentals payable hereunder or upon the Leased Property or any of the Revenues;

(ix) any amount of interest required to be paid on any of the foregoing items as a result of the Lessee's failure to pay any such items when due, as required by Section 4.06 hereof, or any amount of interest required to be paid pursuant to Section 4.10 hereof; and

(x) any additional payment required to be made pursuant to any Tax Certificate.

Prior to April 1 of each year during the term of the Lease, the Trustee will, in accordance with Section 1013(c) of the Indenture, provide a statement to the Lessee of the amount of the estimated Additional Rentals required pursuant to Section 4.01(b)(i), (ii) and (iii) hereof that are expected to become due during the next succeeding Renewal Term if the governing body of the Lessee elects to extend the term of the Lease for such Renewal Term as provided herein.

(c) *Deposit into the Bond Fund.* The Lessee hereby agrees to deposit into the Bond Fund any amounts required to be deposited therein pursuant to Section 403 of the Indenture, subject to the terms and provisions of said Section 403.

(d) *Prepayment of Base Rentals and Partial Redemption of Series 2022 Bonds.* There is hereby expressly reserved to the Lessee the right, and the Lessee is hereby authorized, to prepay Base Rentals in addition to the Base Rentals otherwise payable hereunder solely for the purpose of redeeming the Series 2022 Bonds pursuant to Article VI of the Indenture. Such additional Base Rentals shall be deposited into the Redemption Fund and applied to the redemption of the Series 2022 Bonds in part in the manner and to the extent provided in Article VI of the Indenture.

(e) *Notice of Nonpayment of Base Rentals.* The Trustee has agreed in Section 406(a) of the Indenture to notify the Lessee as soon as practicable, but in no event later than five (5) days after the applicable Base Rental Payment Date, in the event any Base Rentals or portion thereof are not paid when due on the applicable Base Rental Payment Date.

Section 4.02. Consideration. The payments of Base Rentals and Additional Rentals hereunder for each Renewal Term during the term of the Lease shall constitute the total Rentals which are payable for said Renewal Term and shall be paid by the Lessee for and in consideration of the right of use, occupancy and operation of the Leased Property and the continued quiet use and enjoyment of the Leased Property for and during said Renewal Term. The parties hereto have agreed and determined that such total Rentals represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the costs of financing the Acquisition of the Project, the uses and purposes which will be served by the Leased Property and the benefits therefrom which will accrue to the parties to the Lease and the general public by reason of the Leased Property. Base Rentals due on any March 15 will be in consideration of the right of use, occupancy and operation of the Leased Property by the Lessee from the immediately preceding January 1 through the immediately succeeding June 30, and Base Rentals due on any March 15 will be in consideration of the right of use, occupancy and operation of the Leased Property by the Lessee from the immediately preceding July 1 through the immediately succeeding December 31.

Section 4.03. Covenant to Request Appropriations. (a) During the term of the Lease, the Lessee covenants and agrees (i) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of the Lessee 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 which are then on deposit in the Bond Fund to pay the Base Rentals and reasonably estimated Additional Rentals (calculated as provided in Section 4.01(b) hereof) for the Leased Property 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 Lessee 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 Lessee's annual tentative budget shall be made under applicable law with respect to the tentative budget applicable to the Fiscal Year in which the Lessee expects the Base Rental Payment Commencement Date to occur so that the Base Rentals payable on such Base Rental Payment Commencement Date and during the Renewal Term in which such Date occurs and the reasonably estimated Additional Rentals payable during such Renewal Term will have been appropriated for such purpose, and subsequent inclusions in each respective tentative budget for appropriations by the Lessee shall be made in each Fiscal Year thereafter so that the Base Rentals to be paid during the Renewal Term during such Fiscal Year and Additional Rentals payable during such Renewal Term will be available for such purposes as long as the governing body of the Lessee determines to approve such amount in the final budget as adopted.

(b) To effect the covenants set forth in Section 4.03(a) hereof, the Lessee hereby directs the Superintendent of the District 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 Lessee, in any year in which the Lease is in effect, items for all payments required for the ensuing Renewal Term under the Lease. It is hereby expressed as the intention of the Lessee that the decision to renew or not to renew the term of the Lease is to be made solely by the governing body of the Lessee at the time it considers for adoption the final budget for each of its Fiscal Years and corresponding Renewal Terms under the Lease, and not by any official of the Lessee, acting in his or her individual capacity

as such. In this connection, the Lessee 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 Rentals without the express prior approval of the governing body of the Lessee.

Section 4.04. Limitations on Liability. (a) Nothing herein shall be construed to require the governing body of the Lessee to appropriate any money to pay any Rentals hereunder. If the Lessee fails to pay any portion of the Rentals which are due hereunder or an Event of Default hereunder or an Event of Nonappropriation occurs, the Lessee shall immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to pay all Rentals due for such Renewal Term, in the case of an Event of Nonappropriation) quit and vacate the Leased Property in accordance with the schedule therefor provided by the Lessee to the Trustee in accordance with Section 4.09(b) hereof, and its obligation to pay any Rentals (except for Rentals theretofore appropriated and then available for such purpose) shall thereupon cease, it being understood between the parties that neither the State of Utah nor any political subdivision thereof, except the Lessee as provided herein, is obligated to pay any Rentals due to the Lessor hereunder. Should the Lessee fail to pay any portion of the required Rentals and then fail immediately to quit and vacate the Leased Property to the extent required, the Trustee in accordance with the Indenture may immediately bring legal action to evict the Lessee from the District Facilities (but not for money damages except as hereinafter and in the Indenture provided) and commence proceedings to foreclose the lien of the Indenture pursuant to the Indenture. The Lessee hereby agrees to pay as damages for its failure immediately to quit and vacate the Leased Property upon termination of the Initial Term or the then current Renewal Term, as the case may be, of the Lease in violation of the terms hereof and Section 17D-2-405 of the Act an amount equal to the Base Rentals otherwise payable during such period prorated on a daily basis and any reasonable Additional Rentals attributable to such period on the basis of the services provided. No judgment may be entered against the State of Utah or any political subdivision of the State of Utah for failure to pay any Rentals hereunder, except to the extent that the Lessee has theretofore incurred liability to pay any such Rentals through its actual use, occupancy and operation of the Leased Property, or through its exercise of an option that renews the Lease for an additional Renewal Term for which moneys have been appropriated, or is otherwise obligated to pay such Rentals pursuant to Section 10.01(a) hereof.

(b) The Rentals constitute current expenses of the Lessee, and the Lessee's obligations hereunder are from year to year only and do not constitute a mandatory payment obligation of the Lessee in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision hereof shall be construed or interpreted as creating a general obligation or other indebtedness of the State of Utah or any political subdivision of the State of Utah within the meaning of any constitutional or statutory debt limitation. Neither the execution, delivery and performance of the Lease nor the issuance of the Bonds directly or indirectly obligates the Lessee to make any payments hereunder beyond those appropriated for the Lessee's then current Fiscal Year; *provided, however*, that nothing herein shall be construed to limit the rights of the Bondowners or the Trustee to receive any amounts which may be realized from the Trust Estate pursuant to the Indenture.

(c) No obligation assumed by or imposed upon the Lessor hereunder shall require the performance of any act by the Lessor except to the extent, if any, that the cost and expense of such

performance may be provided for from the proceeds of sale of the Bonds or paid by the Lessee hereunder as Additional Rental. Failure of the Lessor to perform any such act shall not entitle the Lessee to terminate the Lease.

Section 4.05. Base Rentals Assigned; Unconditional Obligation. It is understood and agreed that all Base Rentals payable under Section 4.01(a) hereof are assigned to the Trustee pursuant to the Indenture. The Lessee assents to such assignment. The Lessee hereby agrees that its obligation to pay the Base Rentals and Additional Rentals from legally available funds appropriated for such purpose (a) shall be absolute and unconditional, (b) except as expressly herein provided, shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Lessor of any obligation to the Lessee, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Lessee by the Lessor and (c) shall not terminate or abate as a result of destruction of or damage to the Leased Property, condemnation of all or part of the Leased Property, defective title in or to any part of the Leased Property or failure of consideration. Notwithstanding any dispute between the Lessee and the Lessor hereunder, the Lessee shall pay all Base Rentals when due and shall not withhold payment of any Base Rentals pending the final resolution of such dispute. In the event of a determination that the Lessee was not liable for payment of such Base Rentals or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent payments of Base Rentals due hereunder or, at the direction of the Lessee, delivered to the Lessee.

Section 4.06. Payment. Each Base Rental payment shall be paid in lawful money of the United States of America, in funds which shall be immediately available on the Base Rental Payment Date on which they are due. Each Base Rental payment shall be paid at the principal corporate trust office of the Trustee in Salt Lake City, Utah, or at such other place or places as may be set forth in the Indenture. Each Additional Rental payment shall be paid in lawful money of the United States of America at the appropriate office as designated by the respective payees entitled to receive such Additional Rental. Each Base Rental payment and each Additional Rental payment which is not paid when due shall bear interest at the lesser of the rate of ten percent (10%) per annum or the maximum rate permitted by law from the date on which the Base Rental payment or Additional Rental payment, as the case may be, becomes due until the same is paid.

Section 4.07. Credit on Base Rentals. (a) There shall be credited against Base Rentals (i) on the Base Rental Payment Date next preceding the Bond Principal Payment Date on which the final maturity of principal of the Bonds is to be paid, any amount to be transferred into the Bond Fund in accordance with Section 413(b) of the Indenture; and (ii) any amount to be so credited as provided in Section 4.05 hereof.

(b) If at any time the aggregate moneys available under the Indenture for payment of the principal of, and premium, if any, and interest on, the Bonds and all other expenses to be paid by the Lessee as Additional Rentals under the Indenture shall be sufficient to pay in accordance with the provisions of the Indenture all of the Bonds at the time outstanding and to pay all such expenses (including the fees and charges of the Trustee and any paying agent and registrar and the expenses of the Lessor due or to become due through the date on which the last of the Bonds is to be paid or redeemed), and to pay any other monetary obligations of the Lessee hereunder, and if the Lessee

is not at the time otherwise in default on any obligation hereunder, the Lessee shall be entitled to use, occupy and operate the Leased Property from the date on which such aggregate moneys are deposited with the Trustee during the remainder of the term of this Lease without further payment of any Rentals during that interval (but otherwise on the terms and conditions hereof), and any moneys in the funds and accounts created by the Indenture which are in excess of the amounts required to pay the Bonds in accordance with the provisions of the Indenture and to pay all costs, fees, charges and expenses shall be refunded to the Lessee upon payment (or provision for payment) in full of the Bonds as provided in the Indenture, except as otherwise required by the Indenture or any Tax Certificate. If Bonds are to be paid prior to maturity, this Section 4.07(b) is subject to the condition that said Bonds shall have been properly called for redemption under the Indenture and the required notice of redemption shall have been given or provision for the giving of such notice shall have been made to the satisfaction of the Trustee, and the necessary moneys or Government Obligations or United States Obligations (as each such term is defined in Article VII of the Indenture) properly deposited, all as required by the Indenture.

Section 4.08. Application of Base Rentals. All Base Rentals shall be paid to the Trustee for application in accordance with the Indenture.

Section 4.09. Nonappropriation. (a) In the event that sufficient funds (i) are not appropriated by the governing body of the Lessee prior to the beginning of any Renewal Term for the payment of the Base Rentals on the Base Rental Payment Dates and reasonably estimated Additional Rentals (determined as provided in Section 1013(c) of the Indenture) payable during such Renewal Term, or (ii) are otherwise not legally available for such purpose (other than amounts on deposit in funds held under the Indenture), then an Event of Nonappropriation shall be deemed to have occurred; *provided, however,* that (x) the Trustee shall declare an Event of Nonappropriation on any earlier date on which the Trustee receives an Officer's Certificate from an Authorized Lessee Representative to the effect that the governing body of the Lessee has determined by official action not to renew the term of the Lease for the next succeeding Renewal Term and (y) absent receipt of such Officer's Certificate and if an Event of Nonappropriation has otherwise occurred as provided above in this Section 4.09, the Trustee shall give written notice to the Lessee of any Event of Nonappropriation on or before June 10 next succeeding the expiration of the term of the Lease or such later date as the Trustee determines to be in the best interest of the Bondowners, but any failure of the Trustee to give such written notice to the Lessee will not prevent the Trustee from declaring an Event of Nonappropriation or from taking any remedial action that would otherwise be available to the Trustee hereunder or under the Indenture. An Event of Nonappropriation shall also be deemed to have occurred (subject to waiver by the Trustee as hereinafter described) if, during the Initial Term or any Renewal Term, any Additional Rentals shall become due which were not included in the Lessee's final budget adopted by the governing body of the Lessee, or which exceed the amount included in such budget, and funds are not legally available (including funds legally available for such purpose under the Indenture) to the Lessee to pay such Additional Rentals by the earlier of June 30 of the then current Renewal Term or ninety (90) days after the date on which such Additional Rentals are due. The Trustee may waive any Event of Nonappropriation which is cured by the Lessee within a reasonable time if, in the Trustee's judgment, such waiver is in the best interests of the owners of the Bonds; *provided, however,* that after June 30 of each year during the term of the Lease the Trustee shall not waive any Event of Nonappropriation which results from sufficient funds not being appropriated by the

governing body of the Lessee for the payment of the Base Rentals that would be payable during the next succeeding Renewal Term unless the Trustee has reason to believe that appropriate officials of the Lessee are diligently pursuing appropriations by the governing body of the Lessee to pay such Base Rentals on a timely basis and that a delay in declaring an Event of Nonappropriation, under the circumstances, is in the best interests of the owners of the Bonds. If an Event of Nonappropriation shall occur, the Lessee shall not be obligated to make payment of the Base Rentals or Additional Rentals provided for herein beyond the last day of the Renewal Term during which such Event of Nonappropriation occurs, except for the Lessee's obligation to pay Rentals which are payable prior to the termination of the Lease; *provided, however*, that the Lessee shall continue to be liable for the amounts payable pursuant to Section 4.04(a) hereof during such time when the Lessee continues to use, occupy and operate the Leased Property. The Trustee shall, upon the occurrence of an Event of Nonappropriation, have all rights and remedies to take possession of the Leased Property as trustee for the benefit of the owners of the Bonds and shall be further entitled to all moneys then on hand in all funds and accounts created under the Indenture. All property, funds and rights acquired by the Trustee upon the termination of this Lease as to the Lessee's possessory interests hereunder by reason of an Event of Nonappropriation as provided herein shall be held by the Trustee under the Indenture for the benefit of the owners of the Bonds as set forth in the Indenture until the principal of, and premium (if any) and interest on, the Bonds are paid in full and any excess (subject to the requirements of any Tax Certificate) shall thereafter be paid to the Lessee as provided in Section 411 of the Indenture.

(b) The parties hereto agree that, upon the occurrence of an Event of Nonappropriation (which is not waived) or an Event of Default (which is not waived), the Lessee shall have all responsibility for vacating the Leased Property and shall vacate the Leased Property immediately following such occurrence. Within ten (10) days after the occurrence of an Event of Nonappropriation or an Event of Default, the Lessee shall provide the Trustee with a timetable for vacating the Leased Property, which timetable shall provide that the Lessee complete vacating the Leased Property no later than June 30 of the then current Renewal Term.

Section 4.10. Advances by the Trustee. If the Lessee fails to pay any Additional Rentals required by this Lease, the Trustee may (but shall be under no obligation to) pay such Additional Rentals, which Additional Rentals, together with interest thereon at the lesser of the rate of ten percent (10%) per annum or the maximum rate permitted by law, are to be reimbursed to the Trustee by the Lessee upon demand therefor, subject to the availability of sufficient legally available funds for such purpose.

Section 4.11. Lease Not to Constitute "True" Lease. It is the intention of the parties hereto that this Lease not constitute a "true" lease for federal income tax purposes and, therefore, it is the intention of the parties hereto that the Lessee be considered the owner of the Leased Property for federal income tax purposes, but not for Utah law purposes relating to title and other matters as herein provided.

ARTICLE V

ACQUISITION AND FINANCING OF THE DISTRICT FACILITIES

Section 5.01. Acquisition of the Project. (a) The Lessor shall Acquire or cause to be Acquired the District Facilities, all in accordance with the applicable Project Documents. For this purpose, the Lessor has entered into (i) the Ground Lease with the Lessee, and (ii) the Agency Agreement with the Lessee, as the Lessor's agent. A Project Contract or Project Contracts for the Project either has been or shall be awarded to a contractor or contractors licensed under the laws of the State of Utah, and such Project Contract or Project Contracts shall be awarded after such public bidding and following such procedures as the Lessee (in its capacity as the Lessor's agent pursuant to the Agency Agreement) has determined to be in the best interests of the Lessee for the Project on a timely and cost effective basis; *provided, however*, that nothing herein shall be construed to impose a public bidding requirement on letting any such Project Contract or Contracts in reliance on Section 17D-2-108(2) of the Act. The Lessor or its agent for this purpose shall require the contractor or contractors who are or have been awarded the Project Contract or Contracts to provide a faithful performance bond and a labor and material payment bond satisfactory to the Lessor or such agent conditioned upon final completion of the Project as expeditiously as reasonably possible from the date of execution of this Lease and also conditioned upon delivery of possession of the Leased Property to the Lessee free and clear of all liens and encumbrances, except taxes, liens and encumbrances on the Lessor's interest in the Leased Property, and easements and restrictions in the record title accepted by the Lessee. Any proceeds from any such bond shall be transferred to the Trustee for deposit as provided in Section 5.05(f) hereof. Such bonds shall be made payable to the Trustee, shall be executed by a corporate surety licensed to transact business in the State of Utah and acceptable to the Lessee, and shall be in an amount equal to the contract price for such contractor's or subcontractor's Project Contract. If, at any time during Acquisition of the Project, the surety on such bond or bonds shall be disqualified from doing business within the State of Utah, or shall otherwise become incapable (in the judgment of the Trustee or the Lessee) of performing its obligations under such bond, an alternate surety acceptable to the Lessee shall be selected. In the event of any change order in accordance with Section 5.04 hereof resulting in the performance of additional work in connection with the Project, the amounts of such bonds pertaining thereto shall be increased to include the cost of such additional work or materials or fixtures to be incorporated in the Leased Property. If any payments on a contract with a private contractor to do work on the Leased Property is retained or withheld, such payments shall be placed in an interest bearing account and the interest thereon shall accrue for the benefit of such contractor and subcontractors to be paid after the Project are completed and the Leased Property is accepted by the Lessee; *provided, however*, that neither the Lessor nor its agent for this purpose, the Lessee, shall have any responsibility to distribute the interest on such retainage to the subcontractors, it being solely the responsibility of the contractor to ensure that any interest accrued on such retainage is distributed by the contractor to the subcontractors on a pro rata basis. Any Project Contracts hereafter entered into by the Lessee with respect to the Project shall comply with the provisions of this Section 5.01(a), but notwithstanding anything herein to the contrary any Project Contracts heretofore entered into by the Lessee with respect to the Project shall not be required to be modified to comply with the provisions of this Section 5.01(a).

(b) The Lessor shall comply with the wage rate requirements and labor standards set forth in the Davis Bacon Act, Subchapter IV of Chapter 31 of Title 40, United States Code to the extent required by the American Recovery and Reinvestment Act of 2009.

(c) If an Event of Nonappropriation or an Event of Default shall occur prior to the delivery of the Completion Certificate pursuant to Section 409 of the Indenture, the moneys remaining in the Construction Fund may be utilized by the Trustee to complete the Acquisition of the Project or, upon termination of the term of the Lease as to the possessory interest of the Lessee, may be disbursed as provided in the Indenture.

(d) The Lessee hereby covenants, to the extent permitted by applicable law, to use other legally available funds and to seek additional legally available funds to the extent necessary to complete the Acquisition of the Project as herein required, or to make certain design changes in the Project (so long as such changes do not cause the Leased Property to be used for purposes other than lawful governmental purposes of the Lessee) to the extent necessary to complete the Acquisition of the Project with moneys then available for such purposes in the School Construction Fund.

(e) The Lessee hereby agrees that in order to effectuate the purposes of this Lease it will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for completing the Acquisition of the Project as herein provided.

Section 5.02. Compliance with State Handicap Code. Within the meaning of Title 26, Chapter 29, Utah Code Annotated 1953, as amended, the District Facilities will be Acquired in compliance with the current edition of planning and design criteria promulgated by the State Building Board so as to be accessible to, and functional for, the physically handicapped.

Section 5.03. Reimbursements to Lessee. The Lessee may be reimbursed from the School Construction Fund for Costs of Acquisition incurred or payments made by advances or otherwise by the Lessee, but only by complying with the disbursement procedures set forth in the Indenture.

Section 5.04. Change Orders. Changes in the work on the District Facilities during Acquisition may be ordered in accordance with a procedure to be established by the Lessee in its capacity as agent pursuant to the Agency Agreement; *provided, however,* that unless sufficient additional funds are deposited by the Lessee into a designated account in the School Construction Fund (a) the cost of the District Facilities shall not exceed that which is established at the time when the Series 2022 Bonds are initially issued by the Lessor, and (b) the cost of change orders shall not exceed the amount then available therefor in the School Construction Fund, provided that the Acquisition of the District Facilities is then on budget with the amount initially determined as needed to complete the Acquisition of the District Facilities. Any moneys remaining in the School Construction Fund after completion of the Acquisition of the Project shall be applied by the Trustee as provided in Section 409 of the Indenture.

Section 5.05. Required Provisions of Project Contracts; Right to Inspect Project Documents. (a) Each Project Contract executed in connection with the Acquisition of the Project

must provide that, upon an Event of Nonappropriation or an Event of Default, or upon the termination of the authority of the Lessee to complete the Acquisition of the Project pursuant to the Lease or the Agency Agreement, the Project Contract will be fully and freely assignable to the Trustee without the consent of any other person; and that, if the Project Contract is assumed by the Trustee, the Contractor will perform the agreements contained in the Project Contract for the benefit of the Trustee. Each Project Contract must also provide that, upon an Event of Nonappropriation, an Event of Default or damage to, or destruction or condemnation of, the Leased Property as described in Section 10.01 hereof, the Trustee may terminate such Project Contract, and the contractor shall then be entitled to payment only from amounts available therefor in the School Construction Fund and only for work done prior to such termination.

(b) The Lessee shall have and keep on file and available for inspection by the Lessor and the Trustee copies of the Project Documents (except Project Documents which are in the possession of the Trustee), throughout the term of the Lease, or as soon after the commencement of the term of the Lease as such Project Documents shall become available to the Lessee. Neither the Project Documents nor any changes or amendments thereto shall (i) cause the Leased Property to be used for any purpose prohibited by the Lease or by the Constitution and laws of the State of Utah, including but not limited to the Act; (ii) result in a material reduction in the fair rental value of the Leased Property as contemplated by Section 4.02 hereof; or (iii) adversely affect the legal or financial ability of the Lessee to meet its obligations hereunder.

(c) Each Contractor entering into a Project Contract shall procure and maintain standard form comprehensive general public liability and property damage insurance, at its own cost and expense, during the duration of such Contractor's Project Contract, in the amount of not less than \$1,000,000 combined single limit per occurrence.

(d) Unless the Lessee shall otherwise agree in a Project Contract to carry the builder's risk insurance hereinafter described, each general contractor retained in connection with the Acquisition of the Project shall procure and maintain, at its own cost and expense, during the term of its Project Contract and until the Leased Property is accepted and insured by the Lessee, standard, all risk of loss builder's risk completed value insurance upon the Leased Property Acquired or to be Acquired, in whole or in part, by such contractor or its subcontractors. The policy shall not provide any deductible amounts. Such insurance coverage shall in the aggregate be in an amount at least equal to the original principal amount of the Series 2022 Bonds. In the event of any change order resulting in the performance of additional work in connection with the Acquisition of the Project, the amount of such insurance shall be increased to include the cost of such additional work.

(e) Each Contractor and subcontractor for the Project shall procure and maintain workers' compensation insurance as required by applicable law.

(f) The Net Proceeds of any performance or payment bond or builders' risk insurance policy required hereunder is to be paid into an appropriately designated account in the School Construction Fund if received before the Completion Date, or if received thereafter shall be paid into the Insurance Fund to be applied as provided in Section 413 of the Indenture to the prompt

repair or restoration of the Leased Property or for deposit into the Bond Fund as determined in accordance with Section 10.01 hereof.

(g) Each Project Contract shall contain provisions regarding liquidated damages and construction retainage acceptable to the Lessee. The Net Proceeds from any such liquidated damages provision shall be deposited into the Bond Fund.

(h) Any Project Contracts hereafter entered into by the Lessee with respect to the Project shall comply with the provisions of this Section 5.05, but notwithstanding anything herein to the contrary any Project Contracts heretofore entered into by the Lessee with respect to the School Project shall not be required to be modified to comply with the provisions of this Section 5.05; *provided, however*, that any insurance policy obtained or renewed by the Lessor or by any general contractor entering into a Project Contract with the Lessor, subsequent to the date hereof, shall comply with the provisions of this Section 5.05.

Section 5.06. Remedies Against Contractors. The Lessee shall proceed promptly, either separately or in conjunction with others, to pursue diligently its remedies against any Contractor or subcontractor which is in default under any of the Project Contracts and/or against each surety on any bond securing the performance of such Project Contract. The Net Proceeds recovered by way of the foregoing, after reimbursement to the Lessee for any unreimbursed expenditure of the Lessee for correcting or remedying such default, will be paid into an appropriately designated account in the School Construction Fund if received before the Completion Date or, if received thereafter, into the Insurance Fund to be applied as provided in Section 413 of the Indenture.

Section 5.07. Financing the Acquisition of the Project. (a) For the purpose of paying the Costs of Acquisition with respect to the Project and paying the Costs of Issuance, the Lessor shall cause the Series 2022 Bonds to be issued pursuant to the Indenture and shall cause the proceeds from the sale thereof to be deposited with the Trustee in the School Construction Fund and applied as provided in the Indenture.

(b) The Lessor may from time to time authorize the issuance of Additional Bonds in any amount upon the terms and conditions provided in Section 214 of the Indenture. Additional Bonds shall be issued to provide funds to pay one or more of the following: (i) the costs of completing Acquisition of the Project; (ii) the costs of making such additions, improvements, extensions, alterations, relocations, enlargements, expansions, modifications or changes (hereinafter in this paragraph collectively called the "*improvements*") in, on or to the Leased Property as the Lessee may deem necessary or desirable or reduce the fair rental value of the Leased Property and including any repairing, restoring, modifying, improving or replacing pursuant to Section 10.01 hereof to the extent that such costs exceed the insurance or condemnation proceeds out of which such costs are to be paid pursuant to Section 10.01 hereof; (iii) the costs of acquiring, constructing, improving or extending any additional sites, buildings and equipment, or any combination thereof, for the use and benefit of the Lessee, but only to the extent that (I) such additional sites, buildings and equipment, or any combination thereof, constitute a "project" within the meaning of the Act and (II) this Lease is amended as herein provided to include such sites, buildings and equipment as Leased Property hereunder; (iv) to refund a Series of Bonds; (v) the costs of the issuance and sale of the Additional Bonds; (vi) interest during the estimated period of

acquisition and construction and for a period of up to twelve (12) months thereafter and (vii) any combination of such purposes. Any such improvements shall become a part of the Leased Property and shall be included under this Lease to the same extent as if originally included hereunder.

(c) If the Lessee is not in default hereunder, the Lessor (in its capacity as Lessor under the Indenture) will, on request of the Lessee, from time to time, use its best efforts to issue the amount of Additional Bonds specified by the Lessee; provided that the terms of such Additional Bonds, the purchase price to be paid therefor and the manner in which the proceeds therefrom are to be disbursed shall have been approved in writing by the governing body of the Lessee prior to the issuance thereof; and provided further that the Lessee and the Lessor shall have entered into an amendment to this Lease to provide for additional Base Rental in an amount at least sufficient to pay principal of and interest on the Additional Bonds when due and the Lessor shall have otherwise complied with the provisions of Section 213 of the Indenture with respect to the issuance of such Additional Bonds.

Section 5.08. Disbursements from the School Construction Fund; Establishment of Completion Date. (a) The Lessor has, in the Indenture, authorized and directed the Trustee to make payments from the School Construction Fund to pay the Costs of Acquisition or to reimburse the Lessee for any Costs of Acquisition paid by the Lessee; *provided, however*, that any such disbursement shall only be made after satisfaction of the conditions for any such disbursement as provided in the Indenture, including the delivery of written requisitions in accordance with Section 408(b) of the Indenture. The Lessee hereby agrees to deliver such written requisitions to the Trustee as may be necessary to effect disbursements from the School Construction Fund in accordance herewith and with the Indenture.

(b) The Lessee hereby agrees to deliver to the Trustee upon acceptance of the Leased Property the Completion Certificate (together with the Certificates of Substantial Completion to be attached thereto) required by Section 409 of the Indenture. The Lessee shall be entitled to direct the Trustee as to the disposition of certain moneys remaining in the School Construction Fund on the date of delivery of the Completion Certificate for the purposes as provided in Section 409 of the Indenture.

(c) In approving any written requisition delivered in accordance with Section 408(b) of the Indenture, the Trustee may rely as to the completeness and accuracy of all statements in any and all such written requisitions, and the Lessee hereby covenants and agrees to indemnify and save harmless the Trustee from any liability incurred in connection with any written requisition so approved, but only from moneys duly appropriated and legally available for such purpose.

Section 5.09. Investment of Bond Fund, Insurance Fund and School Construction Fund. Any moneys held as a part of the Bond Fund, the Insurance Fund, the Redemption Fund, the School Construction Fund or any other fund or account created pursuant to the Indenture shall be invested or reinvested by the Trustee from time to time, but only at the request of and as directed by an Authorized Lessee Representative or otherwise, in accordance with the provisions of Article V of the Indenture; *provided, however*, that no investment shall be made of any funds which would violate the covenant set forth in any Tax Certificate.

ARTICLE VI**MAINTENANCE AND OPERATION**

Section 6.01. Maintenance and Operation. (a) The Lessee shall, at its own expense, maintain, manage and operate the Leased Property and all improvements thereon in good order, condition and repair, ordinary wear and tear excepted. The Lessee shall provide or cause to be provided all security service, custodial service, janitor service, power, gas, telephone, light, heating and water, and all other public utility services.

(b) It is understood and agreed that in consideration of the payment by the Lessee of the Rentals herein provided for, the Lessor is only obligated to provide the Leased Property in the manner, at the times and to the extent herein provided, and neither the Lessor, the Trustee nor any owner of any Bond shall have any obligation to incur any expense of any kind or character in connection with the management, operation or maintenance of the Leased Property during the term of the Lease. The Lessee shall keep the Leased Property and any and all improvements thereto free and clear of all liens, charges and encumbrances, except those caused or consented to by the Trustee and Permitted Encumbrances.

Section 6.02. Care of the Leased Property. (a) The Lessee shall take good care of the Leased Property, fixtures and appurtenances, and suffer no waste or injury thereto, ordinary wear and tear excepted. The Lessee shall pay for all damage to the Leased Property, its fixtures and appurtenances due to any act or omission or cause whatsoever.

(b) The Lessee shall not place a load upon any floor of the Leased Property exceeding the floor load per square foot area which such floor was designed to carry and which may be allowed by law.

(c) There shall be no allowance to the Lessee for a diminution in or abatement of Rentals and no liability on the part of the Lessor by reason of inconvenience, annoyance or injury to government operations arising or resulting from the Lessor, the Lessee or others making repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to fixtures, appurtenances or equipment thereof, and no liability upon the Lessor or allowance for a diminution in or abatement of Rentals for failure of the Lessor or others to make any repairs, alterations, additions or improvements in or to any portion of the Leased Property, or in or to the fixtures, appurtenances or equipment thereof. The foregoing shall not be construed to mean that the Lessor has any such obligations.

(d) The Lessor shall not be liable for, and there shall be no diminution in or abatement of Rentals for, any loss or damage to the Leased Property caused by vermin, rain, snow, liquids and semi-liquids or from storms that may leak into or flow from any part of the Leased Property through any defects in its roof, walls, windows, ceilings, plumbing or from any other source, or caused by any latent defect in the Leased Property or its equipment.

(e) The Lessee's taking possession of the Leased Property or any portion thereof shall be conclusive evidence against the Lessee that the Leased Property or such portion thereof was in

good order and satisfactory condition when the Lessee took possession thereof and that all work to be done on the District Facilities or such portion thereof pursuant to the terms hereof, if any, has been completed to the Lessee's satisfaction; *provided, however*, that the Lessee's taking possession as herein provided shall be without prejudice to any rights against third parties which exist at the date of taking such possession or which may subsequently come into being. No promise of the Lessor to alter, remove, improve or clean the Leased Property and no representation respecting the condition of the Leased Property have been made by the Lessor to the Lessee.

Section 6.03. Loss and Damage. All of the Lessee's personal property of any kind that may be on or about the Leased Property or placed in the custody of any of the Lessee's employees or agents shall be held at the sole risk of the Lessee, and neither the Lessor, the Trustee nor any Bondowner shall have any liability to the Lessee for any theft or loss thereof or damage thereto from any cause whatsoever.

ARTICLE VII

INSURANCE PROVISIONS

Section 7.01. Insurance. (a) The Lessee shall at all times maintain or cause to be maintained with responsible insurers all such insurance on the Leased Property (valued as defined below) which is customarily maintained with respect to properties of like character against accident to, loss of or damage to such properties. Notwithstanding the generality of the foregoing, the Lessee shall not be required to maintain or cause to be maintained any insurance which is not available from reputable insurers on the open market, except as required by Section 7.01(c) hereof, or more insurance than is specifically referred to below.

The Lessee shall during any period of Acquisition of the Project and thereafter so long as the Lessee has possession of the Leased Property:

(i) Keep or cause to be kept a policy or policies of insurance against loss or damage to the Leased Property resulting from fire, lightning, vandalism, malicious mischief, riot and civil commotion, and such perils ordinarily defined as "extended coverage" and other perils as the Lessee may determine should be insured against on forms and in amounts satisfactory to each. Such insurance may be carried in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Lessee. Such extended coverage insurance shall, as nearly as practicable, also cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be maintained in an amount not less than the principal amount of the then outstanding Bonds or the full insurable value of the Leased Property (such value to include amounts spent for Acquisition of the Project and architectural, engineering, legal and administrative fees, inspection and supervision but excluding value attributable to the Facility Sites), whichever amount is greater, subject to deductible conditions for any loss not to exceed \$200,000 for any one loss. The term "*full insurable value*" as used in this subsection shall mean the actual replacement cost, using the items of value set forth above (including the cost of restoring the surface grounds owned or leased by the Lessee but excluding the cost of restoring trees,

plants and shrubs), without deduction for physical depreciation. Said "full insurable value" shall be determined by the Lessee from time to time but not less frequently than once in every 36 months;

(ii) Maintain or cause to be maintained public liability insurance against claims for bodily injury or death, or damage to property occurring upon, in or about the Leased Property, such insurance to afford protection to a limit of not less than \$1,000,000 combined single limit; *provided, however*, that nothing herein shall be construed to require the Lessee to maintain or cause to be maintained any such public liability insurance for amounts greater than the limitations on such liability provided under the Utah Governmental Immunity Act, Chapter 30 of Title 63, Utah Code Annotated 1953, as amended. Such insurance may be maintained under an Owners, Landlords and Tenants policy and may be maintained in the form of a minimum \$1,000,000 single limit policy covering all such risks. Such insurance may be carried in conjunction with any other liability insurance coverage carried or required to be carried by the Lessee; and

(iii) Maintain or cause to be maintained workers' compensation coverage to the extent required by law.

All insurance herein provided for shall be effected under policies issued by insurers of recognized responsibility, licensed or permitted to do business in the State of Utah, except as otherwise hereinafter provided. As of the date hereof, the Lessor carries public liability insurance with the Utah Risk Management Mutual Association, an insurer of recognized responsibility. The Lessee may, in its discretion, insure the Leased Property under blanket insurance policies which insure not only the Leased Property, but other buildings as well, so long as such blanket insurance policies otherwise comply with the terms of this Section 7.01(a).

All policies or certificates issued by the respective insurers for insurance shall provide that such policies or certificates shall not be cancelled or materially changed without at least thirty (30) days prior written notice to the Trustee.

All policies of insurance (except the policy of public liability property damage and workers' compensation insurance) must provide that the proceeds thereof shall be payable to the Trustee. The Net Proceeds of fire and extended coverage insurance shall be deposited into the Insurance Fund under the Indenture to be applied to rebuild, replace and repair the affected portion of the Leased Property or redeem outstanding Bonds as provided in Article X hereof. The Net Proceeds of public liability and property damage insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

(b) Notwithstanding anything herein to the contrary, any policies of insurance that the Lessee is required to keep or cause to be kept pursuant to Section 7.01(a) hereof may be provided through any self-insurance program of the Lessee or in which the Lessee participates with other governmental units of the State of Utah. The Utah Risk Management Mutual Association is not a self-insurance program within the meaning of the preceding sentence. In such event, the Lessee shall cause the risk manager of its self-insurance program to issue certificates of coverage to the

Trustee for any such risks covered by the self-insurance program and otherwise evidencing compliance with the requirements of Section 7.01(a) hereof which certificates of coverage shall be accompanied with an opinion of Lessee's Counsel that the obligations of the Lessee under any such self-insurance program are legal, binding and enforceable against the Lessee in accordance with their terms. At least once each year, commencing during calendar year 2018, the Lessee shall cause its risk manager or, at its expense, an independent consultant to review the Lessee's self-insurance program and to render a report to the Lessee as to the adequacy and actuarial soundness of such self-insurance program to provide the coverage required by Section 7.01(a) hereof to the extent the Lessee self-insures for such coverage as herein permitted and as to its recommendations, if any, for adjustments thereto. The Lessee shall make such adjustments to its self-insurance program as are necessary to comply with any such recommendations of its risk manager or the independent consultant appointed for the purposes of this Section 7.01(b). The Lessee shall file or cause its risk manager or such insurance consultant to file a copy of such report with the Trustee at the same time as the Lessee files the written statement required by Section 7.01(d) hereof.

"Independent Insurance Consultant" shall mean a nationally recognized, independent actuary, insurance company or broker that has actuarial personnel experienced in the area of insurance for which the Lessee is to be self-insured.

(c) To the extent that the Lessee is unable to obtain or maintain any of the insurance required to be carried as provided in Section 7.01(a) hereof from reputable insurers on the open market at reasonable prices therefor, the Lessee shall provide for such insurance through its self-insurance program or through a self-insurance program in which the Lessee participates with other governmental units of the State of Utah; *provided, however*, that any costs and expenses incurred by the Lessee in connection with such self-insurance program and the cost of any reserves required to fund such a self-insurance program shall be payable by the Lessee solely from legally available moneys appropriated for such purpose and payable as Additional Rentals hereunder; and provided further, however, that any such self-insurance shall comply with the requirements of subsection (b) of this Section 7.01.

(d) The Lessee shall file with the Trustee annually, within one hundred eighty (180) days after the close of each Fiscal Year, commencing with the Fiscal Year which ends on June 30, 2022, a written statement of the Lessee satisfactory to the Trustee containing a summary of all insurance policies (including policies provided through any self-insurance program described in Section 7.01(b) or 7.01(c) hereof) then in effect with respect to the Leased Property and stating that the insurance policies required by this Lease are in full force and effect.

(e) The Lessee for itself and its insurers, to the extent possible (as a reasonable cost) and to the extent permitted by law, hereby waives any claim against the Trustee, the Lessor and the Contractor, including claims based on negligence, if the claim results from any of the perils the Lessee is required to insure against or provide self-insurance for in this Section 7.01.

ARTICLE VIII**TAXES**

Section 8.01. Taxes. (a) The Lessor and the Lessee understand and agree that the Leased Property constitutes public property free and exempt from all taxation in accordance with applicable law, including but not limited to Section 17D-2-104 of the Act; *provided, however*, that the Lessor agrees to cooperate with the Lessee, upon written request by the Lessee, to contest any proposed tax or assessment, or to take steps necessary to recover any tax or assessment paid. The Lessee agrees to reimburse the Lessor from Additional Rentals for any and all costs and expenses thus incurred by the Lessor.

(b) Notwithstanding Section 8.01(a) hereof, in the event that the Leased Property or any portion thereof or any portion of the Rentals 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 Leased Property or any portion of the Rentals, an Additional Rental shall be paid by the Lessee 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 Lessee shall be obligated hereunder to provide for Additional Rentals only for such installments as are required to be paid during the term of the Lease. The Lessee shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the Rentals and receipts from the Leased Property 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 Indenture), or any interest therein (including the interest of the Lessor) or the Rentals and revenues derived therefrom or hereunder, except to the extent permitted by Section 8.01(c) hereof.

(c) The Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments 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 by nonpayment of any such items the security afforded pursuant to the terms of the Indenture will be materially endangered (in the judgment of the Trustee) or the Leased Property or any essential part thereof will be subject to loss or forfeiture (in the judgment of the Trustee), in which event such taxes, assessments or charges shall be paid forthwith. The Lessor will cooperate fully with the Lessee in any such contest. In the event that the Lessee shall fail to pay any of the foregoing items required by this Section 8.01 to be paid by the Lessee, the Lessor or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Lessor or the Trustee shall become an additional obligation of the Lessee to the party making the advancement, which amounts the Lessee hereby agrees to pay from Additional Rentals on demand together with interest thereon from the date thereof until paid at the lesser of ten percent (10%) per annum or the maximum rate permitted by law, but only from moneys appropriated and legally available for such purpose.

ARTICLE IX**ALTERATIONS, ADDITIONS AND IMPROVEMENTS**

Section 9.01. Alterations, Additions and Improvements to the Leased Property. (a) The Lessee shall have the right during the term of the Lease to make any alterations, additions or improvements of any kind, structural or otherwise, as it shall deem necessary or desirable, on or to the Leased Property, to attach fixtures, structures or signs, and to affix any personal property to the improvements on the Leased Property; *provided, however*, that no such alteration, addition or improvement shall reduce or otherwise adversely affect the value of the Leased Property or the fair rental value thereof or materially alter or change the character or use of the Leased Property.

(b) The Lessee will not permit any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any construction, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by the Lessee, provided that if the Lessee shall first notify the Trustee of the Lessee's intention so to do, the Lessee may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless by nonpayment of any such items the security afforded pursuant to the terms of the Indenture will be materially endangered (in the judgment of the Trustee) or the Leased Property or any essential part thereof will be subject to loss or forfeiture (in the judgment of the Trustee), in which event the Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Lessor will cooperate fully with the Lessee in any such contest, upon the request and at the expense of the Lessee.

Section 9.02. Title to Alterations, Additions and Improvements. Except as provided in Section 9.03 hereof, all such alterations, additions and improvements shall become the property of the Lessor as a part of the Leased Property and shall be subject hereto and to the Indenture.

Section 9.03. Lessee's Equipment. (a) All of the Lessee's equipment and other personal property installed or placed by the Lessee in or on the Leased Property which is not a fixture under applicable law or which is not paid for with the proceeds of sale of the Bonds shall remain the sole property of the Lessee in which neither the Lessor, the owners of the Bonds nor the Trustee shall have any interest, and may be modified or removed at any time by the Lessee and shall not be subject to the lien of the Indenture. The Lessee shall pay for any damage caused by such modification or removal, but only from funds legally available for such purpose.

(b) The title to any personal property, improvements or fixtures placed on or in the Leased Property by any sublessee or licensee of the Lessee shall be controlled by the sublease or license agreement between such sublessee or licensee and the Lessee.

(c) If after the occurrence of an Event of Nonappropriation or an Event of Default, the Lessee moves out or is dispossessed and fails to remove any property of the Lessee at the time of such moving out or dispossession, then and in that event, the Trustee shall have the option, following not less than thirty (30) days' prior written notice to the Lessee of the Trustee's intention

to exercise such option, either to regard such property as abandoned by the Lessee, in which case such property shall become the property of the Lessor subject to the Indenture, or shall have the right to demand that the Lessee remove such property from the Leased Property, and in the event of failure of the Lessee to comply with said demand, the Trustee shall have the right to remove, sell or destroy such property.

ARTICLE X

DAMAGE OR DESTRUCTION; CONDEMNATION

Section 10.01. Damage, Destruction and Condemnation. (a) If, during the term of the Lease, (i) the Leased Property or any portion thereof shall be destroyed, in whole or in part, or damaged by fire or other casualty or event; or (ii) title to, or the temporary or permanent use of, the Leased Property or any portion thereof or the estate of the Lessee, the Lessor or the Trustee in the Leased Property or any portion thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; or (iii) a material defect in construction of the District Facilities shall become apparent; or (iv) title to or the use of all or any portion of the Leased Property shall be lost by reason of a defect in title; then the Lessee shall continue to pay Base Rentals and Additional Rentals after delivery of the Completion Certificate, subject to Section 4.09(a) hereof, and to take such action as it shall deem necessary or appropriate to repair, rebuild and replace the affected portion of the Leased Property, subject to Section 10.01(c)(ii) hereof, regardless of whether the Acquisition of the Project has been completed and accepted by the Lessee in accordance with Section 5.08(b) hereof.

(b) In accordance with Section 413 of the Indenture, the Trustee shall cause the Net Proceeds of any insurance policies (including any moneys derived from any self-insurance program), performance bonds or condemnation awards with respect to the Leased Property, or Net Proceeds received as a consequence of defaults under Project Contracts (excluding liquidated damages) for the Project, to be deposited into the Insurance Fund to be applied as provided herein and in Section 413 of the Indenture, and all Net Proceeds so deposited shall be applied to the prompt repair, restoration, modification, improvement or replacement of the damaged or destroyed portion of the Leased Property by the Lessee, except as otherwise provided in Section 10.01(c) hereof or as may be required by the Tax Certificate. The balance of any Net Proceeds remaining after the repair, restoration, modification, improvement or replacement has been completed are to be deposited into the Construction Fund, if received prior to the Completion Date and, if received thereafter, are to be deposited into the Bond Fund, except to the extent otherwise required by the Tax Certificate. The Trustee shall cause the Net Proceeds of any liquidated damages received as a consequence of a default by the Contractor to complete Acquisition of the Project in a timely fashion under the Construction Contract to be deposited into the Bond Fund.

(c) If such Net Proceeds shall be insufficient to pay in full the cost of any such repair, restoration, modification, improvement or replacement, the Lessee shall, within ninety (90) days after the occurrence of the event giving rise to such Net Proceeds, either:

(i) commence and thereafter complete the work and pay any cost in excess of the Net Proceeds, but only from Additional Rentals, in which case the Lessee agrees that it will not be entitled to any reimbursement therefor from the Trustee or the owners of the Bonds, nor shall it be entitled to any diminution of the Base Rentals or Additional Rentals; or

(ii) if the failure to repair, rebuild or replace shall not materially detract from the value of the Leased Property, then the Lessee may discharge its obligation to repair, rebuild or replace the affected portion of the Leased Property by causing such Net Proceeds to be deposited into the Bond Fund; or

(iii) deposit such Net Proceeds into the Bond Fund to be used by the Trustee as provided in the Indenture.

In the event the Board shall fail to appropriate, by the first day of the next Renewal Term following the ninety-day period after the occurrence of the event giving rise to the Net Proceeds, an amount at least equal to the insufficiency to pay in full the cost of any necessary repair, restoration, modification, improvement or replacement, the obligation to repair and replace the Project under this Article X shall be discharged by depositing the Net Proceeds into the Bond Fund. Upon the deposit of such Net Proceeds in said Bond Fund, the Lessee shall have no further obligation for the payment of Base Rentals and additional Rentals hereunder with respect to said Project, and possession of said Project as well as all rights created pursuant to this Master Lease and the interest of the Lessee therein and in any funds or accounts created under the Indenture with respect to the Project (except for moneys held to pay rebate and for the payment of Bonds not then deemed Outstanding), shall be surrendered to the Trustee. Thereafter, the Lessee's interest in said Project may be liquidated pursuant to the provisions of and subject to the limitations set forth in the Indenture and the proceeds of such liquidation and the Net Proceeds so deposited in the Bond Fund, as well as all other moneys on deposit in any fund created under the Indenture with respect to said Project (except for moneys held to pay rebate and for the payment of Bonds not then deemed Outstanding), shall be applied to the redemption of the applicable Series of Bonds on the earlier of the next succeeding redemption date or the final maturity date of such Series of Bonds.

(d) The Lessee hereby agrees that any repair, restoration, modification, improvement or replacement paid for in whole or in part out of such Net Proceeds shall be the property of the Lessor subject to the Indenture and this Lease, and will be included as part of the Leased Property subject to this Lease.

(e) The Lessor and the Lessee agree that it is the intent of the parties that, after the delivery of the Completion Certificate, the risk of any loss arising out of any damage, destruction or condemnation of the Leased Property or any portion thereof shall be borne by the Lessee and not by the Lessor or the Bondholders, and the Lessee hereby covenants and agrees that in the event of any such damage, destruction or condemnation, the Lessee shall either repair, rebuild or replace the Leased Property to essentially its same condition before any such damage, destruction or condemnation or provide funds, but in any event only from legally available moneys for such purpose, necessary to redeem the Bonds at the earliest practicable date in accordance with the Indenture.

(f) The Lessee hereby agrees to deliver the Officer's Certificate provided in Section 413 of the Indenture in accordance with the terms thereof.

(g) The Lessee shall give written notice immediately to the Trustee of the occurrence of any event of damage, destruction or condemnation as described in Section 10.01(c) hereof, which notice shall describe the nature and scope of any such event.

ARTICLE XI

ASSIGNMENTS

Section 11.01. Assignments by Lessee. Neither this Lease nor any interest of the Lessee herein shall, at any time after the date hereof, without the prior written consent of the Trustee, be mortgaged, pledged, assigned or transferred by the Lessee by voluntary act or by operation of law, or otherwise, except as specifically provided herein. The Lessee shall at all times remain liable for the performance of the covenants and conditions on its part to be performed, notwithstanding any assigning, transferring or subletting which may be made with such consent. The Lessee shall have the right, without notice to or consent of the Lessor, the Trustee or any owner of Bonds, to further sublease or permit the use of any specified portion of the Leased Property only to or for the benefit of any other "public bodies" (as such term is defined in the Act), the State of Utah or any other entities permitted as sublessees of a project now or hereafter permitted or authorized by the Act, including but not limited to Section 17D-2-403(1)(b) of the Act, but nothing herein contained shall be construed to relieve the Lessee from its obligation to pay Rentals as provided in this Lease or relieve the Lessee from any other obligations contained herein; *provided, however*, that no such assignment or sublease may be made if the use of the Leased Property by the assignee or sublessee will affect the validity of this Lease. Any such assignment, sublease or license shall require the assignee, sublessee or licensee to execute an acceptable attornment agreement with the Lessee and the Trustee and to assume all of the terms, covenants and agreements of the Lessee hereunder to the extent of the portion of the Leased Property so assigned, sublet or licensed; *provided, however*, that where portions of the Leased Property have been so assigned, sublet or licensed, the Lessee shall continue to be responsible for the payment of Rentals due under this Lease. The Lessor may execute any and all instruments necessary and proper in connection therewith. The Lessee hereby agrees (a) to direct all of its permitted sublessees, assignees and transferees to pay all rentals and other amounts due under any sublease, assignment or transfer permitted by this Section 11.01 directly to the Trustee for deposit into the Bond Fund and (b) to pay any of such amounts received by the Lessee directly to the Trustee for deposit into the Bond Fund.

Section 11.02. Assignments by Lessor in General Without Release of Liability. (a) The Lessor's obligations to perform under this Lease may be assigned in whole or in part by the Lessor, but the Lessor shall remain liable to perform hereunder, with notice to the Lessee as provided in Section 11.02(b) hereof; provided that such assignment (other than an assignment for security purposes or the assignment effected by the Indenture and the exercise of any remedies thereunder and any further assignment resulting from the exercise of any such remedies) may only be made to a public corporation or other public entity duly authorized by applicable law to perform the obligations as Lessor hereunder.

(b) No assignment or reassignment of any of the Lessor's right, title or interest in this Lease or the Leased Property shall be effective unless and until the Lessee shall have received a duplicate original counterpart of the document by which the assignment or reassignment is made, disclosing the name and address of each such assignee. The Lessee hereby acknowledges receipt of the Indenture for purposes of this Section 11.02(b). During the term hereof, the Lessee shall keep, or cause to be kept, a complete and accurate record of all such assignments in form necessary to comply with Section 149 of the Code, and the regulations, proposed or existing, from time to time promulgated thereunder.

(c) The Lessor may assign its rights, title and interest in and to this Lease and any other documents executed with respect to this Lease and/or grant or assign a security interest in this Lease, in whole or in part, as herein provided. The Lessor, simultaneously with the execution of this Lease, has assigned this Lease and all Base Rentals and certain other sums (including any Additional Rentals payable pursuant to Section 4.01(b)(ix) hereof) due and to become due hereunder to the Trustee under the Indenture. Upon the execution and delivery of the Indenture, the Lessor therein gives written notice thereof to the Lessee, and all Base Rentals and certain other sums (including such Additional Rentals) due and to become due hereunder shall be paid to the Trustee when due and payable. Neither any purchaser of any of the Bonds nor the Trustee shall be bound or obligated to perform or see to the performance of any duty, covenant, condition or warranty (express or implied) made by the Lessor or required to be observed or performed by the Lessor under any of the terms hereof.

(d) The Lessor has, simultaneously with the execution of this Lease, assigned all of its duties and obligations hereunder with respect to the Acquisition of the Project to its agent pursuant to the Agency Agreement, except as otherwise therein provided. The Lessee hereby consents to such assignment by the Lessor pursuant to the Agency Agreement.

Section 11.03. Lessor's Assignment as a Whole and Release From Liability. Except as otherwise set forth in Section 11.04 hereafter, the rights, obligations and duties of the Lessor hereunder may be assigned as a whole and the Lessor may be released from its obligations hereunder only with the prior written consent of the Lessee and the Trustee and then only upon assignment of the Lessor's interest herein to a public corporation or other entity duly authorized by applicable law to perform the obligations as Lessor hereunder.

Section 11.04. Replacement of the Lessor. If any event occurs which in the judgment of the Trustee materially impairs the ability of the Lessor to serve as lessor hereunder or as Lessor under the Indenture, the Trustee may replace the Lessor with such other entity as the Trustee deems appropriate so long as such successor entity is a public corporation or other public entity duly authorized by applicable law to perform the obligations as Lessor hereunder and as Lessor under the Indenture. In any such event, the Lessor being replaced shall cooperate with the Trustee in conveying title to the Leased Property and any and all other right, title and interest of the Lessor in, to and under the Lease and the Indenture to such successor entity as the Trustee may designate as provided herein.

Section 11.05. Subordination and Attornment. (a) This Lease and the Lessee's interest in the Leased Property and its interest as lessee hereunder shall at all times be subject and subordinate

to the lien of the Indenture and the Deed of Trust and to all the terms, conditions and provisions thereof, whether now existing or hereafter created and without the need for any further act or agreement by the Lessee; *provided, however*, that so long as an Event of Default under the Indenture or an Event of Nonappropriation has not occurred and is then continuing this Lease shall remain in full force and effect notwithstanding such subordination or the Lessor's default in connection with the said lien, and the Lessee shall not be disturbed by the Lessor or the Trustee in its possession, use and enjoyment of the Leased Property during the term of the Lease or in the enjoyment of its rights hereunder. The Lessee shall not subordinate its interests hereunder or in the Leased Property to any other lien or encumbrance without the prior written consent of the Trustee. Any such unauthorized subordination by the Lessee shall be void and of no force or effect whatsoever.

(b) In the event of any sale, assignment or transfer of the Lessor's interest under this Lease or in the Leased Property, including any such disposition resulting from the Lessor's default under the said lien, the Lessee shall attorn to the Lessor's successor and shall recognize such successor as the Lessor under this Lease, said attornment to be effective and self-operative without the execution of any other instruments on the part of either party hereto immediately upon such successor succeeding to the interest of the Lessor hereunder, and this Lease shall continue in accordance with its terms between the Lessee, as lessee, and such successor, as Lessor.

ARTICLE XII

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 12.01. Representations, Covenants and Warranties of the Lessee. The Lessee hereby represents, covenants and warrants for the benefit of the Lessor and the owners from time to time of the Bonds as follows:

(a) The Lessee has the power and authority to enter into the Tax Certificate and the transactions contemplated by this Lease and the other Operative Agreements to which it is a party and to carry out its obligations hereunder and thereunder. The Lessee has been duly authorized to execute and deliver this Lease, and agrees that it will do or cause to be done all things necessary to preserve and keep this Lease (to the extent herein provided and subject to the limitations expressed herein, including but not limited to the limitations provided in Section 4.04 hereof) in full force and effect.

(b) The Lessee is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessee from entering into this Lease and the other Operative Agreements to which it is a party or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessee, nor to the best knowledge of the Lessee is there any basis

therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessee is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessee of this Lease or any such other agreement or instrument or in connection with the carrying out by the Lessee of its obligations hereunder or thereunder have been obtained.

(d) The payment of the Rentals hereunder by the Lessee or any portion thereof is not, and will not (so long as the Lessee pays Rentals hereunder) be, directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business or (B) payments in respect of such property or (ii) to be derived from payments (whether or not to the Lessor) in respect of property, or borrowed money, used for a private business use, all within the meaning of Section 141(b) of the Code. No proceeds of the Bonds are to be used (directly or indirectly) to make or finance loans to persons other than governmental units within the meaning of Section 141(c) of the Code.

(e) The entering into and performance of this Lease or any other document or agreement contemplated hereby to which the Lessee is or is to be a party will not violate any judgment, order, law or regulation applicable to the Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Lessee or on the Leased Property pursuant to, any indenture, mortgage, deed of trust, bank loan or credit agreement or other instrument to which the Lessee is a party or by which it or its assets may be bound, except as herein or in the Indenture provided.

(f) All requirements have been met and procedures have occurred in order to ensure the enforceability of this Lease, and the Lessee has complied with such public bidding requirements as may be applicable to this Lease and the Acquisition by the Lessee (in its capacity as agent for the Lessor) of the Project.

(g) During the term hereof, the Leased Property will be used by the Lessee (except as otherwise permitted by Section 11.01 hereof) only for the purpose of performing one or more essential governmental or proprietary functions (including related functions) of the Lessee consistent with the permissible scope of the Lessee's authority. The use, occupancy and operation of the Leased Property is essential to the conduct of the Lessee's governmental operations to provide for the public health, welfare, safety and convenience of the Lessee and its inhabitants.

(h) The Lessee shall comply with all applicable laws, rules, regulations, orders, directions and requirements of all governmental departments, bodies, bureaus, agencies and officers, including, without limitation, all zoning and other laws that would be applicable to the Project (other than public bidding laws which are inapplicable to the Project or the letting of the Lease by virtue of Section 17D-2-108(2) of the Act) if it were not owned or occupied by a political subdivision of the State of Utah and with all

reasonable rules, directions, requirements and recommendations of the local board of fire underwriters and other fire insurance rating organizations for the area in which the Project are situated, pertaining to the Project or the use, occupancy and operation thereof. The Lessee shall not do or suffer to be done, or keep or suffer to be kept anything in, upon or about the Project or the Leased Property which will contravene any policies insuring against loss or damage by fire or other hazards, including, but not limited to, public liability insurance.

(i) The Lessee has obtained and examined, or will obtain and examine in a timely fashion as is necessary to diligently complete the Project, all conditions, covenants, restrictions, easements, reservations, rights, rights-of-way and all legal requirements, use permits, occupancy permits, building permits and other requirements affecting or relating to the Project, and the Project does not and will not violate any of the same.

(j) The Lessee has complied in all material respects with all legal requirements in relation to environmental quality, and the Lessee is not under investigation by any state or federal agency designed to enforce such legal requirements.

(k) All streets, easements, utilities and related services necessary for the Project and the operation of the Leased Property for its intended purpose are (or will be, in a timely manner during the Acquisition of the Project) available to the boundaries of the Facility Sites.

(l) Until the termination of the Lessee's possessory rights hereunder with the effect provided in Section 3.03 hereof, the Lessee shall (i) permit the agents or representatives of the Trustee upon two (2) Business Days' notice to have access to and to examine its properties, books and records relating to the Project and the Leased Property and furnish or cause to be furnished at the Lessee's expense to the Trustee the following:

(A) As soon as possible, and in any event not later than three (3) days after the occurrence of any Event of Default or Event of Nonappropriation, a statement of an Authorized Lessee Representative setting forth the details of such Event of Nonappropriation or Event of Default and the action which the Lessee proposes to take with respect thereto;

(B) As soon as available, and in any event not later than one hundred eighty (180) days after the close of each Fiscal Year, the audited financial statements of the Lessee as at the close of and for such Fiscal Year, all in reasonable detail and stating in comparative form the figures as at the close of and for the previous Fiscal Year, audited by and with the report of the Lessee's auditor; *provided, however*, the Trustee shall not be required to review or analyze such financial statements;

(C) Such other information relating to the affairs of the Lessee with respect to the Leased Property (including but not limited to evidence or

appropriations and preliminary and final budgets) as the Trustee reasonably may request from time to time; and

(D) From time to time, record, register and file all such notices, statements and other documents and take such other steps, including without limitation the amendment of any of the Operative Agreements and any instruments perfecting interests thereunder, as may be necessary or advisable to render fully valid and enforceable under all legal requirements the rights, liens and priorities of the Lessor and the Trustee with respect to all security from time to time furnished under this Lease or intended to be so furnished in such form and at such times as shall be satisfactory to the Lessor and the Trustee, and pay all fees and expenses (including reasonable attorneys' fees) incident to compliance with this paragraph.

(m) Until the termination of the Lessee's possessory rights hereunder with the effect provided in Section 3.03 hereof, unless the Trustee shall otherwise consent in writing, the Lessee agrees not to:

(i) Create, incur, assume or permit to exist any mortgage, deed of trust, security interest (whether possessory or nonpossessory) or other encumbrance of any kind (including without limitation the charge upon property purchased under conditional sale or other title retention agreement) upon or on the Leased Property, other than (A) liens for taxes not delinquent or being contested as permitted hereunder; (B) liens in connection with workers' compensation, unemployment insurance or social security obligations; (C) mechanics', workmen's, materialmen's, landlords', carriers' or other like liens arising in the ordinary and normal course of business with respect to obligations which are not due or which are being contested hereunder; (D) liens in favor of the Trustee arising out of the transactions contemplated hereby; and (E) Permitted Encumbrances; or

(ii) Enter into or consent to any amendment of any of the documents contemplated hereby, except as may be permitted by the Indenture or this Lease.

(n) The estimated useful life of the Leased Property is not less than 50 years, based upon the certificate of the architect or engineer delivered as *Exhibit E* of Document No. 14 of the transcript of which this Lease is a part, as the architect or engineer responsible for designing and planning the District Facilities, delivered prior to the execution of this Lease as required by Section 17D-2-302 of the Act. The term of this Lease, including for this purpose all Renewal Terms authorized herein, does not exceed the shorter of (i) the estimated useful life of the Leased Property or (ii) forty (40) years.

Section 12.02. Representations, Covenants and Warranties of the Lessor. The Lessor hereby represents, covenants and warrants for the benefit of the Lessee and the owners from time to time of the Bonds as follows:

(a) The Lessor has the power and authority to enter into the transactions contemplated by this Lease and to carry out its obligations hereunder and thereunder. The

Lessor has been duly authorized to execute and deliver all of the Operative Agreements to which it is a party.

(b) The Lessor is not subject to any legal or contractual limitation or provision of any nature whatsoever which in any way limits, restricts or prevents the Lessor from entering into this Lease or any of the other Operative Agreements or performing any of its obligations hereunder or thereunder, except to the extent that such performance may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessor, nor to the best knowledge of the Lessor is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by this Lease or any other agreement or instrument to which the Lessor is a party and which is used or contemplated for use in the consummation of the transactions contemplated by this Lease. All authorizations, consents and approvals of governmental bodies or agencies required in connection with the execution and delivery by the Lessor of this Lease or any such other agreement or instrument or in connection with the carrying out by the Lessor of its obligations under this Lease or thereunder have been obtained.

(d) The Lessor holds a marketable leasehold interest in the Facility Sites, which interest the Lessor has granted a security interest to the Trustee pursuant to the Indenture and the Deed of Trust as additional security for the payment of the principal of, and premium (if any) and interest on, the Bonds. The Lessor and the Lessee understand and agree that the Lessor shall have all right, title and interest in and to the Leased Property, the Indenture and the annually renewable leasehold interest of the Lessee and its option to purchase the Leased Property hereunder.

(e) The Lessor will not pledge the Base Rentals or any of its other rights hereunder and will not mortgage or encumber the Leased Property except as provided herein and under the Indenture. All property and moneys received by the Lessor from the Lessee will, so long as no Event of Nonappropriation or Event of Default has occurred and is then continuing, be applied for the benefit of the Lessee, and all property and moneys received by the Lessor hereunder and under the Indenture for the owner or owners of the Bonds will be applied for the benefit of such owner or owners.

(f) So long as the Lessee pays the Rentals hereunder, the payment of the Bonds or any portion thereof is not and will not be directly or indirectly (i) secured by any interest in (A) property used or to be used for a private business or (B) payments in respect of such property or (ii) to be derived from payments (whether or not to the Lessor in its capacity as the Lessor) in respect of property, or business use, all within the meaning of Section 141(b) of the Code. No proceeds of the Series 2022 Bonds are to be used (directly or indirectly) to make or finance loans to persons other than governmental units within the meaning of Section 141(c) of the Code.

ARTICLE XIII**AMENDMENTS**

Section 13.01. Amendments, Changes and Modifications. (a) Except as otherwise expressly provided in Sections 13.01(b), 13.01(c) and 13.02 hereof, this Lease may not be amended, changed or modified without the prior written consent of the Trustee or the owners of the Bonds for the Series 2022 Bonds, all in accordance with the Indenture.

(b) So long as no Event of Default or Event of Nonappropriation has occurred hereunder and is then continuing, the Lessor and the Lessee may make, from time to time, without the consent of the Trustee or the owners of the Bonds, such modifications, alterations, amendments or additions to, or deletions from, the Facility Sites as the Lessor and the Lessee mutually agree to be necessary and desirable to facilitate the use and development by the Lessee, its successors, permitted sublessees and assigns, of the Facility Sites; *provided, however*, that the portion of the Facility Sites remaining subject to this Lease after any such modification, alteration, amendment to, or deletion from, the Facility Sites shall (i) be capable of being operated as a separate and independent functional unit without additional cost to the occupant, (ii) be a single legal parcel of land or a combination of contiguous legal parcels, (iii) include the District Facilities located on the Facility Sites financed with the proceeds of sale of the Bonds or the replacement of such District Facilities, (iv) have adequate access to and from public streets and easements for the maintenance of all utilities and (v) not be in violation of any applicable law, rule, regulation, ordinance, covenant or restriction relating thereto. The Lessor and the Lessee hereby further covenant not to agree to any modification, alteration, amendment or addition to or deletion from the Facility Sites which would reduce the fair rental value of the Leased Property remaining subject to this Lease (such value to be determined in each instance with reference to the value to the Lessee, as may be determined by the governing body of the Lessee, based upon its use of the Leased Property hereunder and not with reference to such value as may be applicable for a different use or by a different user of the Leased Property) below the Rentals payable under the Lease or otherwise adversely affect the purposes for which the Lessor acquired the Leased Property and for which the Lessee is leasing the Leased Property pursuant to this Lease. Upon such modification, alteration, amendment or addition to or deletion from the Facility Sites, the Lessor and the Lessee shall execute and cause to be recorded an amendment to this Lease reflecting the release of such portion of the Facility Sites.

(c) Without the consent of the Trustee or the owners of the Bonds and if no Event of Default hereunder or under the Indenture shall have happened and be continuing, the Lessee may at any time or times grant easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to any property or rights included in the Indenture, free from the lien of the Indenture, or the Lessee may release existing easements, licenses, rights-of-way and other rights or privileges with or without consideration, and the Lessor agrees that it shall execute and deliver and will cause and direct the Trustee to execute and deliver any such instrument necessary or appropriate to confirm and grant or release any such easement, license, right-of-way or other right or privilege upon receipt of: (i) a copy of the instrument of grant or release; (ii) a written application signed by an Authorized Lessee Representative requesting such instrument; (iii) a certificate executed by an Authorized

Lessee Representative stating that such grant or release (A) is not detrimental to the proper conduct of the operations of the Lessee, and (B) will not impair the effective use or interfere with the operation of the Leased Property and will not materially weaken, diminish or impair the security intended to be given by or under the Indenture; and written confirmation by an independent engineer or consultant of the conclusions stated in the certificate executed by an Authorized Lessee Representative as provided in clause (iii) of this subsection (c) of Section 13.01.

(d) The release of any portion of the Facility Sites or any interests therein as herein provided shall not entitle the Lessee to any postponement, abatement or diminution of the Base Rentals or any other payments required to be paid hereunder.

Section 13.02. Amendments by Lessor and Lessee Only. This Lease may be amended at any time by written agreement of the Lessor and the Lessee (regardless of any assignments of the Lessor's interests), with the prior written consent of the Trustee and, to the extent required by Article XIV of the Indenture, but without notice to or the consent of the owners of the Bonds pursuant to Section 1301 of the Indenture.

ARTICLE XIV

RIGHT OF ENTRY; LIENS; QUIET ENJOYMENT

Section 14.01. Right of Entry. The Lessor and the Trustee and their respective designated representatives shall have the right to enter upon the Leased Property during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Lessor's rights or obligations under this Lease or (c) for all other lawful purposes.

Section 14.02. Liens. Except for payments made or required to be made under the Indenture, the Lessee shall pay or cause to be paid, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment alleged to have been furnished or to be furnished to or for, in, upon or about the Leased Property and which may be secured by any mechanics', materialmen's or other lien against the Leased Property, or the Lessor's interest therein, and shall cause each such lien to be fully discharged and released; *provided, however,* that if the Lessee desires to contest in good faith any such lien, this may be done, and if such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, then and in any such event the Lessee shall forthwith pay and discharge said judgment, but in each instance only from moneys duly appropriated and legally available for such purpose.

Section 14.03. Covenant of Quiet Enjoyment. The parties hereto mutually covenant and agree that the Lessee, by keeping and performing the covenants and agreements herein contained, shall at all times during the term hereof, peaceably and quietly, have, hold and enjoy the Leased Property, subject to all Permitted Encumbrances.

ARTICLE XV

EVENTS OF DEFAULT; REMEDIES

Section 15.01. Events of Default Defined. Any of the following shall be an "Event of Default" under this Lease:

(a) Failure by the Lessee to pay any Base Rentals required to be paid under Section 4.01(a) hereof with respect to the Bonds or failure by the Lessee to pay any Additional Rentals required to be paid under Section 4.01(b)(ix) hereof, in each case at the times specified therein as the respective due dates therefor; or

(b) Failure by the Lessee to pay any Additional Rentals (other than Additional Rentals required to be paid under Section 4.01(b)(ix) hereof) during the term of this Lease for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall be received by the Lessee from the Trustee; or

(c) Failure by the Lessee to vacate the Leased Property by the expiration of the Initial Term or any Renewal Term during which an Event of Nonappropriation occurs; or

(d) Failure by the Lessee to observe and perform any covenant, condition or agreement herein on its part to be observed or performed, other than as referred to in Section 15.01(a), 15.01(b) or 15.01(c) hereof, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Lessee by the Trustee, unless the Trustee shall agree in writing to an extension of such time prior to its expiration; *provided, however*, that if the failure stated in the notice cannot be corrected within the applicable period, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected; or

(e) Any representation or warranty (i) made by the Lessee pursuant to Section 12.01 hereof or by the Lessor pursuant to Section 12.02 hereof or (ii) contained in any certificate delivered in connection with this Lease, shall prove to have been false or misleading in any material respect when made; or

(f) The entry of an order or decree in any court of competent jurisdiction enjoining or restraining the Project or development of the District Facilities on the Facility Sites or enjoining, restraining or prohibiting the Lessee from consummating the transactions contemplated by this Lease, which order or decree is not vacated and which proceedings are not discontinued within sixty (60) days after the granting of such order or decree.

The foregoing provisions of this Section 15.01 are subject to the following limitations: (i) the obligations of the Lessee to make payments of the Base Rentals and the Additional Rentals shall be subject to the provisions of Section 4.09 of this Lease with respect to an Event of Nonappropriation; and (ii) if, by reason of *Force Majeure* (as such term is hereinafter defined), the

Lessee shall be unable in whole or in part to carry out any agreement on its part herein contained, other than the obligations of the Lessee contained in Article IV hereof, the Lessee shall not be deemed in default during the continuance of such inability. The Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreement; *provided, however*, that the settlement of strikes, lockouts and other disturbances shall be entirely within the discretion of the Lessee, and the Lessee shall not be required to make settlement of strikes, lockouts and other disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Lessee, unfavorable to the Lessee. As used herein, the term "*Force Majeure*" shall mean, without limitation, the following: acts of God; strikes, lockouts or other disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the State of Utah or any of their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fire; storms; floods; washouts; droughts; arrests; restraints of government and people; civil disturbances; explosions; partial or entire failure or unavailability of utilities; or any other cause or event not reasonably within the control of the Lessee.

Section 15.02. Remedies on Default. (a) Upon the occurrence and continuance of any Event of Default hereunder or an Event of Nonappropriation, the Trustee as provided in Section 902 of the Indenture shall give notice to the Lessee to vacate the Leased Property immediately (but in no event earlier than the expiration of the Initial Term or the then current Renewal Term for which the Lessee has paid or appropriated moneys sufficient to pay all Rentals due for such Initial Term or Renewal Term, in the case of an Event of Nonappropriation) and shall, without any further demand or notice, (i) terminate this Lease or the Lessee's possessory rights hereunder (without otherwise terminating the Lease), re-enter the Leased Property and eject all parties in possession thereof therefrom, and relet the Leased Property, or then or at any time thereafter commence proceedings to foreclose on and liquidate, relet or sell the Leased Property in the manner permitted by law and as otherwise provided in the Indenture; (ii) exercise any of the remedies provided to the Trustee upon the occurrence of an Event of Default under the Indenture as the Trustee shall determine to be in the best interests of the Bondowners and as are consistent with the terms and provisions for the exercise of such remedies provided in the Indenture; or (iii) take any action at law or in equity deemed necessary or desirable to enforce its and the Bondowners' rights with respect to the Leased Property and the Lessee.

(b) Upon the termination of the term of this Lease or the Lessee's possessory interests herein by reason of an Event of Nonappropriation or an Event of Default, all moneys then held in any fund or account under the Indenture and any Net Proceeds received on such foreclosure, liquidation, reletting or sale shall be held by the Trustee for the benefit of the owners of the Bonds (and applied from time to time as provided in Section 907 of the Indenture). Notwithstanding anything herein to the contrary, the Trustee shall be entitled to relet the Leased Property for such period as is necessary for the Trustee to obtain sufficient moneys to pay in full the principal of, and premium (if any) and interest on, the Bonds, and the obligations of the Trustee with respect to the owners of the Bonds and the receipt and disbursement of funds shall be continuing until the lien of the Indenture is discharged as provided in the Indenture except as a result of foreclosure.

(c) Any amount received by the Trustee in excess of the amount sufficient to pay in full the principal of, and premium (if any) and interest on, the Bonds, and the obligations of the Trustee

with respect to the owners of the Bonds, and any other amounts payable under this Lease or the Indenture (including but not limited to reasonable attorney fees, expenses and costs) shall be paid to the Lessee.

Section 15.03. Surrender of Leased Property. Upon the occurrence and continuance of any Event of Default or Event of Nonappropriation, the Lessee shall immediately quit and surrender the Leased Property to the Trustee in the same condition in which it existed at the time of the initial use and occupancy thereof by the Lessee, ordinary wear and tear excepted.

Section 15.04. Limitations on Remedies. With the sole exception of the obligation of the Lessee to pay Base Rentals and Additional Rentals attributable to any period during which the Lessee shall actually use, occupy and operate the Leased Property, or for which the governing body of the Lessee has appropriated funds for such purpose, no judgment requiring the payment of money not subject to the lien of the Indenture may be entered against the Lessee by reason of any Event of Default or an Event of Nonappropriation under this Lease. In the event the term of this Lease is terminated as a result of an Event of Default or an Event of Nonappropriation, no deficiency judgment may be entered against the Lessee, except as otherwise expressly herein provided with respect to the Lessee's actual use, occupancy and operation of the Leased Property. Notwithstanding anything herein to the contrary, the Lessee shall not be under any obligation in respect to any creditors or security holders of the Lessor (including but not limited to the owners from time to time of the Bonds), and no remedy or other provision herein or in the Indenture provided shall be construed to provide any such remedy or to create or impose any such obligation.

Section 15.05. Remedies Cumulative. The rights and remedies given or reserved herein to the Lessor and the Trustee are and shall be deemed to be cumulative, and the exercise of any shall not be deemed to be an election excluding the exercise at any other time of a different or inconsistent right or remedy or the maintenance of any action either at law or in equity.

Section 15.06. Waiver. The delay or failure of the Lessor or the Trustee at any time to insist in any one or more instances upon a strict performance of any covenant of this Lease or to exercise any right, remedy, power or option herein granted or established by law, shall not be construed as an impairment of or a waiver or a relinquishment for the future of such covenant, right, remedy, power or option, but the same shall continue and remain in full force and effect, and if any breach shall occur and afterwards be compromised, settled or adjusted, this Lease shall continue in full force and effect as if no breach had occurred unless otherwise agreed. The receipt and acceptance by the Lessor or the Trustee of any Rentals, in whole or in part, with knowledge of the breach of any term, covenant or condition hereof, shall not be deemed a waiver of such breach, and no waiver of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the Lessor and the Trustee.

Section 15.07. Curing Lessee's Breach. If the Lessee shall default in the observance or performance of any term or covenant on the Lessee's part to be observed or performed under or by virtue of any of the terms of this Lease, the Trustee may (but shall not be obligated to do so) immediately, or at any time thereafter and without notice, and to the extent permitted by law, perform or cause to be performed the same for the account of the Lessee, and any sums paid or obligations incurred in connection therewith shall be deemed to be Additional Rentals hereunder

and shall be paid by the Lessee to the Trustee for appropriate disbursement within fifteen (15) days of the rendering of any bill or statement to the Lessee therefor; *provided, however*, that nothing herein shall be construed to obligate the Lessee to pay any such Additional Rentals from any funds other than moneys legally available and appropriated for such purpose.

ARTICLE XVI

MISCELLANEOUS

Section 16.01. Notices. All notices, statements, demands, requests, consents, approvals, authorizations, offers, agreements, appointments or designations hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party, if sent by United States registered mail, return receipt requested, postage prepaid and addressed as follows:

If to the Lessor:

Local Building Authority of Alpine School District, Utah County, Utah
575 North 100 East
American Fork, Utah 84003
Attention: Secretary

If to the Lessee:

Board of Education of Alpine School District,
Utah County, Utah
575 North 100 East
American Fork, Utah 84003
Attention: Business Administrator

A duplicate copy of any such notice shall also be served upon the Trustee as herein provided to its address at One South Main Street, 12th Floor, Salt Lake City, Utah 84133, Attention: Corporate Trust Department, upon each of the Appropriate Rating Agencies.

Section 16.02. Governing Law. This Lease is made in the State of Utah under the Constitution and laws of such State and is to be so construed.

Section 16.03. Lessee's Obligation to Operate. The Lessee shall be obligated to use, occupy and operate the Leased Property so as to afford to the public the benefits contemplated by this Lease and to permit the Lessor and the Trustee to carry out their respective covenants to the owners of the Bonds.

Section 16.04. Execution in Counterparts. This Lease may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all together shall constitute but one and the same Lease, and it is also understood and agreed

that separate counterparts of this Lease may be separately executed by the Lessor and the Lessee, all with the same full force and effect as though the same counterpart had been executed simultaneously by the Lessor and the Lessee.

Section 16.05. Severability. If any one or more of the terms, provisions, promises, covenants or conditions of this Lease, or the application thereof to any person or circumstance, shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Lease, and the application thereof to other persons or circumstances, shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

Section 16.06. Successors and Assigns; Third Party Beneficiaries. (a) This Lease and the covenants, conditions and agreements herein contained shall be binding upon and inure to the benefit of the permitted successors and assigns of the parties hereto.

(b) This Lease is executed in part to induce the purchase by others of the Bonds, and for the further securing of the Bonds, and, accordingly, as long as any Bonds are outstanding, all respective covenants and agreements of the parties herein contained are hereby declared to be for the benefit of the owners from time to time of the Bonds, but may be enforced by or on behalf of such owners only in accordance with the provisions of the Indenture. The Lease shall not be deemed to create any right in any person who is not a party (other than the permitted successors and assigns of a party) and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of a party hereto), except in each case the owners from time to time of the Bonds and the Trustee .

Section 16.07. Limitation of Warranty. The Lessor makes no warranties except those warranties or representations expressly made by the Lessor in this Lease or other documents related to the issuance of the Bonds.

Section 16.08. Captions and Headings. The captions and headings used throughout this Lease are for convenience of reference only, and the words contained therein shall not be deemed to affect the meaning of any provision or the scope or intent of this Lease, nor in any way affect this Lease.

Section 16.09. Net Lease. This Lease shall be deemed and construed to be a "net lease," and the Lessee hereby agrees that the Rentals provided for herein shall be an absolute net return to the Lessor free and clear of any expenses, charges or setoffs whatsoever, except as otherwise specifically provided herein.

Section 16.10. Provision for Payment. Any payment or prepayment by the Lessee shall be deemed made if sufficient Government Obligations or United States Obligations (as each such term is defined in Article VII of the Indenture) shall have been deposited with the Trustee as provided in the Indenture; provided that notice of the exercise of the Lessee's right of prepayment and the corresponding redemption of Bonds shall have been duly given in case of any redemption as provided in the Indenture. Such Government Obligations or United States Obligations shall be sufficient only if they are not redeemable at the option of the issuer thereof prior to maturity and if they mature and bear interest at such times and in such amounts as will assure sufficient cash to pay such payment or prepayment when due and otherwise comply with the requirements specified in Article VII of the Indenture.

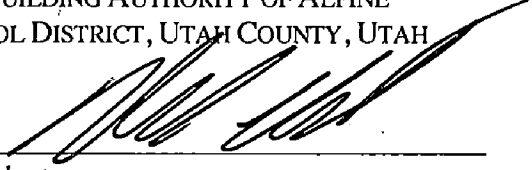
Section 16.11. Action by the Lessee. Whenever it is herein provided or permitted for any action to be taken by the Lessee, such action may be taken by an Authorized Lessee Representative hereunder unless the context clearly indicates otherwise.

(Signature page follows.)

IN WITNESS WHEREOF, the Lessor and the Lessee have caused their respective names to be signed hereto by their respective officers hereunto duly authorized, all as of the day and year first above written.

LESSOR:

LOCAL BUILDING AUTHORITY OF ALPINE
SCHOOL DISTRICT, UTAH COUNTY, UTAH

By 

President,
MARK CLEMENT.

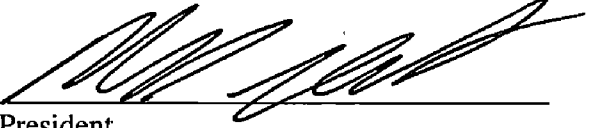
ATTEST:

By 

Secretary,
ROBERT W. SMITH

LESSEE:

BOARD OF EDUCATION OF ALPINE SCHOOL
DISTRICT, UTAH COUNTY, UTAH

By 

President,
MARK CLEMENT

COUNTERSIGN AND ATTEST:

By 

Business Administrator,
ROBERT W. SMITH

ACKNOWLEDGMENTS

STATE OF UTAH)
 : SS.
COUNTY OF UTAH)

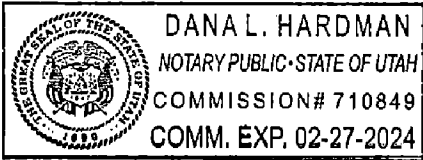
MARK CLUMPT

On the 14 day of April, 2022, ~~Sara M. Hacken~~ and Robert W. Smith personally appeared before me and did say that they are the President of the Board of Education and Business Administrator, respectively, of Alpine School District, Utah County, Utah, the governmental body described in, and which executed, the foregoing instrument, and that such instrument was signed on behalf of the Board of Education by such officers, by authority of a duly adopted resolution of the Board of Education.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.

Dana L. Hardman

NOTARY PUBLIC
Residing at: 11. Grove, Utah

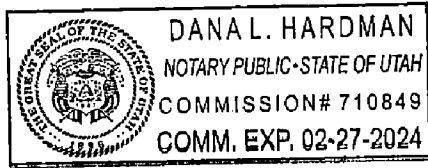


STATE OF UTAH)
 : SS.
COUNTY OF UTAH.)

MARK CLONNET

On the 1st day of April, 2022, ~~Sara M. Hacken~~ and Robert W. Smith personally appeared before me and did say that they are the President and Secretary, respectively, of the Local Building Authority of Alpine School District, Utah County, Utah, the Utah nonprofit corporation described in, and which executed, the foregoing instrument, and that such instrument was signed on behalf of such corporation by such officers by authority of its bylaws and a duly adopted resolution of its Board of Trustees.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year in this certificate first above written.



Dana L. Hardman
NOTARY PUBLIC
Residing at: Pl. Grove, Utah

EXHIBIT A

The tracts of land constituting the School Sites is located in Utah County, State of Utah, and are more particularly described as follows:

PARCEL 1:

A PORTION OF THE NORTHEAST QUARTER OF SECTION 36, TOWNSHIP 5 SOUTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN, LOCATED IN EAGLE MOUNTAIN, UTAH, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT LOCATED NORTH 00°36'01" EAST ALONG THE SECTION LINE 626.43 FEET AND WEST 1,856.11 FEET FROM THE EAST QUARTER CORNER OF SECTION 36, TOWNSHIP 5 SOUTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 61°32'47" WEST 871.20 FEET; THENCE NORTH 28°27'13" EAST 500.00 FEET; THENCE SOUTH 61°32'47" EAST 871.20 FEET; THENCE SOUTH 28°27'13" WEST 500.00 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

Lot 3, SARATOGA SPRINGS HIGH SCHOOL SUBDIVISION, according to the official plat thereof on file in the office of the Utah County Recorder, State of Utah.

LESS AND EXCEPTING THEREFROM THE FOLLOWING:

BEGINNING AT A POINT BEING S00°01'27"W 28.00 FEET ALONG THE SECTION LINE FROM THE EAST QUARTER CORNER OF SECTION 22, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN; AND RUNNING THENCE NORTH 89°53'23" EAST 28.00 FEET; THENCE SOUTH 00°01'27" WEST 168.71 FEET; THENCE SOUTHWESTERLY 59.58 FEET ALONG THE ARC OF A 58.00 FOOT RADIUS CURVE TO THE RIGHT (CENTER BEARS NORTH 89°58'33" WEST AND THE CHORD BEARS SOUTH 29°27'02" WEST 56.99 FEET WITH A CENTRAL ANGLE OF 58°51'09"); TO THE SECTION LINE; THENCE NORTH 00°01'27" EAST 218.28 FEET ALONG THE SECTION LINE TO THE POINT OF BEGINNING.

SCHEDULE I

SCHEDULE OF BASE RENTAL PAYMENTS

EXHIBIT B

[FORM OF NOTICE OF EXTENSION OF TERM OF LEASE]

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee
under an Indenture of Trust dated as of
April 1, 2022, from the Local Building Authority of
Alpine School District, Utah County, Utah
One South Main Street, 12th Floor
Salt Lake City, Utah 84133
Attention: Corporate Trust Department

Pursuant to Section 3.01 of that certain Master Lease Agreement, dated as of April 1, 2022 (the "Lease"), between the Local Building Authority of Alpine School District, Utah County, Utah and the Board of Education of Alpine School District, Utah County, Utah (the "Lessee"), the Lessee hereby declares that it has extended the term of the Lease for the Renewal Term (as defined in the Lease) commencing _____, 20 ____ and ending _____, 20 ____.

The Lessee met in regular public session on _____ and appropriated funds in the total amount of \$_____ sufficient for the purpose of paying the Base Rentals and reasonably estimated Additional Rentals (as such terms are defined in the Lease) calculated as provided in Section 4.01(b) of the Lease, to become due during the aforementioned Renewal Term. Of the total amount appropriated, \$_____ was appropriated for the purpose of paying Base Rentals and \$_____ was appropriated for the purpose of paying reasonably estimated Additional Rentals.

DATED this ____ day of _____, 20____.

BOARD OF EDUCATION OF ALPINE SCHOOL
DISTRICT, UTAH COUNTY, UTAH

By _____
Authorized Lessee Representative