

2930913
BK 6490 PG 61

E 2930913 B 6490 P 61-86
RICHARD T. MAUGHAN
DAVIS COUNTY, UTAH RECORDER
4/7/2016 8:08:00 AM
FEE \$71.00 Pgs: 26
DEP eCASH REC'D FOR GT TITLE SERVICES-S

WHEN RECORDED, RETURN TO:

Randall M. Larsen
Ballard Spahr LLP
201 South Main Street, Suite 800
Salt Lake City, Utah 84111

Part of Tax ID #'s: 12-103-0080, 12-103-0062, 12-103-0066 and 12-103-0064; part of 12-085-0016 and 12-085-0056; and part of 12-085-0015, 12-085-0092, 12-085-0016, All of: 12-085-0002, 12-085-0014, and 12-717-0001

GROUND LEASE AGREEMENT

Dated as of April 1, 2016

between

MUNICIPAL BUILDING AUTHORITY
OF SYRACUSE CITY, UTAH, AS LESSEE

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

and

SYRACUSE CITY, UTAH, AS LESSOR

A Body Corporate and Politic
of the State of Utah

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "Ground Lease") dated as of April 1, 2016, entered into by and between the MUNICIPAL BUILDING AUTHORITY OF SYRACUSE CITY, UTAH (the "Authority"), as lessee hereunder, a nonprofit corporation duly organized, existing and in good standing under the laws of the State of Utah, and also acting as grantor under a certain General Indenture of Trust of even date herewith, and SYRACUSE CITY, UTAH (the "City"), as lessor hereunder, a body corporate and politic duly existing under the laws of the State of Utah;

WITNESSETH:

WHEREAS, the City is the owner in fee simple of the real property described in the attached Exhibit A (the "Property"); and

WHEREAS, the Authority has previously issued its (i) Lease Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), to finance the acquisition, construction and furnishing of (a) a new City Hall, (b) remodeled and improved space for police and fire purposes and (c) an addition to the City's public works facility (collectively, the "Series 2006 Project"); (ii) Lease Revenue Refunding Bonds, Series 2012 (the "Series 2012 Bonds") to refund the Series 2008 Bonds which were issued to finance the acquisition, construction, furnishing and equipping of a fire station and related improvements (the "Series 2012 Project" and together with the Series 2006 Project, the "Series 2016 Project"); and (iii) Lease Revenue Refunding Bonds, Series 2014 (the "Series 2014 Bonds," and collectively with the Series 2006 Bonds and the Series 2012 Bonds, the "Refunded Bonds") which refunded a portion of the outstanding Series 2006 Bonds; and

WHEREAS, at the request of the City, the Authority desires to issue its Lease Revenue Refunding Bonds, Series 2016, in the aggregate principal amount of \$11,246,000 (the "Series 2016 Bonds") for the purpose of (a) refunding the Refunded Bonds and (b) paying costs of issuance of the Series 2016 Bonds; and

WHEREAS, the Authority desires to lease, as ground lessee, from the City the site on which the Series 2016 Project is located as described as Exhibit A attached hereto (the "Property"); and

WHEREAS, the City desires to lease the Property, as ground lessor, to the Authority under the terms and provisions set forth in this Ground Lease; and

WHEREAS, under the provisions of a resolution adopted on March 29, 2016, the City has authorized and approved (i) the execution of this Ground Lease, (ii) a Master Lease Agreement dated as of April 1, 2016 (the "Master Lease") between the City and the Authority, wherein the Authority will lease to the City the Series 2016 Project and (iii) certain actions to be taken by the Authority in connection with the financing of the Series 2016 Project, including the issuance by the Authority of the Series 2016 Bonds under a General Indenture of Trust dated as of April 1, 2016, as supplemented by a First Supplemental Indenture of Trust dated as of April 1, 2016 (collectively, the "Indenture"),

each between the Authority and Zions Bank, a division of ZB, National Association, as trustee (the "Trustee"); and

WHEREAS, pursuant to the provisions of resolutions adopted on February 9, 2016 and March 29, 2016, the Governing Board of the Authority has authorized, approved and directed the execution of this Ground Lease, has authorized and approved the execution of the Master Lease, the Indenture and the other Security Documents (as defined in the Indenture) and has authorized, approved and directed certain actions to be taken by the Authority in connection with the financing of the Series 2016 Project, including the issuance of the Series 2016 Bonds.

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

ARTICLE I

DEFINITIONS

Terms defined in the above recitals shall have the same meaning when used herein. Unless the context otherwise requires or unless otherwise specified herein, all terms defined in Article I of the General Indenture, Article I of the First Supplemental Indenture and Article I of the Master Lease shall have the same meaning where used in this Ground Lease. In addition, unless the context otherwise requires, the terms defined in this Article I shall, for purposes of this Ground Lease, have the meaning herein specified.

“Event of Default” means one or more events of default as defined in Section 12.1 of this Ground Lease.

“Ground Lease Term” means the duration of the leasehold estate created in the Property as provided in Article IV of this Ground Lease.

“Property” has the meaning ascribed thereto in the recitals to this Ground Lease.

“Rentals” means the rental payments payable by the Authority hereunder.

“State” means the State of Utah.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

(a) The City is a duly existing political subdivision and body corporate and politic within the State under the Constitution and laws of the State. Under the provisions of the Constitution and laws of the State, the City is authorized to enter into the transactions contemplated by this Ground Lease and to carry out its obligations hereunder. The City has duly authorized and approved the execution and delivery of this Ground Lease.

(b) The City warrants that it holds the fee simple interest in the Property, and that all the Property is free from any encumbrances other than Permitted Encumbrances.

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

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

(b) The Authority will take no action or fail to take any action, which action or failure to act would constitute a default under the Master Lease or this Ground Lease.

ARTICLE III

DEMISING CLAUSE

The City hereby demises and leases the Property to the Authority and the Authority leases the Property from the City, subject only to Permitted Encumbrances, in accordance with the provisions of this Ground Lease, to have and to hold for the Ground Lease Term unless sooner terminated as expressly provided herein.

ARTICLE IV

GROUND LEASE TERM

Section 4.1 Commencement of Ground Lease Term. The Ground Lease Term shall commence as of the date of issuance of the Series 2016 Bonds, and shall terminate on June 30, 2028, unless sooner terminated in accordance with the provisions of Section 4.2 hereof.

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

(a) The expiration of the Ground Lease Term as provided in Section 4.1 hereof; or

(b) The conveyance of the Series 2016 Project to the City under the provisions of Section 12.1 of the Master Lease.

Section 4.3 Option to Renew Ground Lease. Notwithstanding anything contained elsewhere herein to the contrary, in the event the capital actually invested (as defined in the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated, 1953 as amended) by the Authority in improvements constructed upon the Property has not been fully repaid by the City at the expiration of the term of this Ground Lease, the principal and premium of and interest on, the Series 2016 Bonds has not been paid, discharged or otherwise released in accordance with the terms of the Series 2016 Bonds or the terms of the Bond Documents, or upon an Event of Nonappropriation or Event of Default as described in Sections 6.6 and 14.1 respectively of the Master Lease, the Ground Lease shall automatically be renewed on the same terms and conditions as set forth herein, for an additional term sufficient to repay said capital, which term, when added to the number of years for which this Ground Lease has theretofore been in effect, shall not exceed thirty (30) years.

ARTICLE V

ENJOYMENT OF PROPERTY

Subject to the provisions of the Master Lease, the City hereby covenants to provide the Authority during the Ground Lease Term with quiet use and enjoyment of the Property and the Authority shall during the Ground Lease Term peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the City, except as expressly set forth herein. The City shall not interfere with such quiet use and enjoyment during the Ground Lease Term so long as no Event of Default shall have occurred. The City shall, at the request of the Authority, join in any legal action in which the Authority asserts its right to such possession and enjoyment, to the extent that the City may lawfully do so. In addition, the Authority may at its own expense join in any legal action affecting its possession and enjoyment of the Property and shall be joined in any action affecting its liabilities hereunder.

The City shall have the right at all reasonable times during business hours to enter into and upon the Property for the purpose of inspecting the same.

ARTICLE VI

PAYMENTS BY THE AUTHORITY

The Authority shall pay Rental Payments to the City in the sum of Thirty Dollars (\$30.00) (being one dollar (\$1) per year for a maximum of 30 years), which amount represents the total Rental Payments due hereunder during the Ground Lease Term (including all renewal option periods). The parties hereto hereby acknowledge that said Rental Payments have been paid in full on the date hereof in lawful money of the United States of America at the principal office of the City Council of the City. The City and the Authority hereby determine and agree that the Rental Payments payable hereunder during the Ground Lease Term, together with other good and valuable consideration received by the City under and pursuant to the Master Lease, represent reasonable rental for the use of the Property. In making such determination, the City and the Authority have given consideration to the current value of the Property, the execution by the City and the Authority of the Master Lease and the rentals payable thereunder, the financing by the City of the Series 2016 Project, the uses and purposes for which the Series 2016 Project will be employed by the City, the benefit to the citizens of the City by reason of the improvement of the Series 2016 Project and the use and occupancy of such facilities pursuant to the terms and provisions of the Master Lease.

ARTICLE VII

NONSUBORDINATION OF THE CITY'S INTEREST

The Authority intends to finance the Series 2016 Project by the issuance of the Series 2016 Bonds in accordance with the provisions of the Master Lease and Indenture; however, it is understood and agreed that only the Authority's leasehold interest in the Property will be used as security for the payment of the principal, premium, if any, and interest on such Series 2016 Bonds. Consequently, it is understood and agreed by and between the City and the Authority that the City has not subordinated, and shall not be required to subordinate, its interest in and to the Property to secure such financing. However, it is hereby acknowledged that improvements constructed on the Property, including but not limited to the Series 2016 Project, will or may be used as security for the Series 2016 Bonds. In addition, it is understood that the Authority intends to assign its interest, as lessee, in and to this Ground Lease to the Trustee to secure the Series 2016 Bonds. The City hereby consents to such assignment.

ARTICLE VIII

TITLE; LIMITATIONS ON ENCUMBRANCES

Section 8.1 Title to the Property and the Series 2016 Project. Subject to the leasehold interest created hereby, title to the Property shall at all times be held in the name of the City. Except personal property purchased by the City at its own expense, title to the Series 2016 Project and any and all additions and modifications thereto and replacements thereof shall be held in the name of the Authority. The City shall have no right, title or interest in the Series 2016 Project or any additions and modifications thereto or replacements thereof, except its reversionary rights by law as lessor and except as expressly set forth herein and in the Master Lease. On termination of this Ground Lease, the City shall become the title owner of all improvements affixed to the Property, including the Series 2016 Project. The Authority agrees to execute such documents on termination of this Ground Lease as are required to convey said improvements to the City as herein provided.

Section 8.2 No Encumbrance, Mortgage or Pledge. Neither the Authority nor the City shall directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, except for Permitted Encumbrances as defined in the Master Lease.

Section 8.3 Encumbrance of Leasehold Interest. The Authority may encumber by mortgage or deed of trust, and may convey, assign or sublease, its leasehold interest and estate in the Property, alone or together with its interests in the Series 2016 Project as a whole, for the benefit of the holders of the Series 2016 Bonds. The execution of any such mortgage, deed of trust, assignment or other instrument or the foreclosure thereof or any sale thereunder, either by judicial proceeding or by virtue of any power reserved in such mortgage, deed of trust, assignment or conveyance by the Authority for the benefit of the holders of the Series 2016 Bonds, or the exercising of any right, power or privilege set forth therein, shall not be held as a violation of any of the terms or conditions hereof. The assignee or grantee of any conveyance or assignment of the Authority may, at its option, at any time before the rights of the Authority have been terminated as provided herein, pay any of the Rentals due hereunder or pay any taxes and assessments, or do any other act or thing required of the Authority by the terms hereof, or do any act or thing which may be necessary or proper to be done in the observance of the covenants and conditions thereof, or to prevent the termination hereof; all payments so made, and all things so done and performed by such party or entity shall be effective to prevent a forfeiture of the rights of the Authority hereunder as the same would have been if done and performed by said Authority.

ARTICLE IX

MAINTENANCE, TAXES AND OTHER CHARGES

Section 9.1 Maintenance of the Property by the Authority. In the event that the Ground Lease Term extends beyond the date of termination of the Master Lease, the Authority agrees that at all times during the Ground Lease Term the Authority will maintain, preserve and keep the Property or cause the Property to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair, working order and condition and that the Authority will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals with respect to the Property, so that it will continue to be suitable for use as contemplated by the Master Lease.

Section 9.2 Other Governmental Charges and Utility Charges. In the event that the Ground Lease Term extends beyond the date of termination of the Master Lease and in the event that the Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body which may be secured by a lien against the Property, the Authority shall pay an amount 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 Authority shall be obligated to pay such amounts only for such installments as are required to be paid during the Ground Lease Term. In the event that the Ground Lease Term extends beyond the date of termination of the Master Lease, the Authority shall also pay as the same respectively become due, all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Property.

The Authority may, at the expense and in the name of the Authority, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. In the event that the Authority shall fail to pay any of the foregoing items required by this Section 9.2 to be paid by the Authority, the City may (but shall be under no obligation to) pay the same, which amounts, together with interest thereon at the rate of ten percent (10%) per annum, the Authority agrees to pay.

ARTICLE X

CONDEMNATION; DESTRUCTION

If during the Ground Lease Term, title to, or the temporary or permanent use of the 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, the Authority and the City shall cooperate in the collection and disposition of the proceeds of condemnation such that the net proceeds of such condemnation allocable to the Property and to the Authority's leasehold interest in the Property created hereunder shall be deposited and utilized by the Trustee in accordance with the provisions of the Master Lease and the Indenture and the net proceeds of such condemnation allocable solely to the City's reversionary interest in the Property will be payable to the City. Except as otherwise provided in the Master Lease, if during the Ground Lease Term, the Series 2016 Project or any material portion thereof, shall be destroyed (in whole or in part), or damaged by fire or other casualty, the Net Proceeds of any insurance policy shall be deposited and utilized by the Trustee in accordance with the provisions of the Master Lease and the Indenture.

ARTICLE XI

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

Section 11.1 Further Assurances and Corrective Instruments. The City and the Authority agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be, or for carrying out the intention hereof.

Section 11.2 City and Authority Representatives. Whenever under the provisions hereof the approval of the City or the Authority is required, or the City or the Authority is required to take some action at the request of the other, such approval or such request shall be given for the City by the City Representative and for the Authority by the Authority Representative, and any party hereto and the Trustee shall be authorized to act on any such approval or request.

Section 11.3 Requirements of Law. During the Ground Lease Term, the City and the Authority shall observe and comply promptly with all laws, ordinances, orders, rules and regulations of the federal, state, county and city governments and of all courts or other governmental authorities having jurisdiction over the Series 2016 Project or any portion thereof and of all their respective departments, bureaus and officials, and of the insurance regulatory agencies having jurisdiction over the Series 2016 Project, or any portion thereof, or any other body exercising similar functions, and of all insurance companies writing policies covering the Series 2016 Project or any portion thereof, whether the same are in force at the commencement of the Ground Lease Term or may in the future be passed, enacted or directed.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1 Events of Default Defined. The following shall be an "Event of Default" under this Ground Lease: failure by the Authority to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority and the Trustee by the City, unless the City shall agree in writing to an extension of such cure period prior to its expiration; provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the City shall not unreasonably withhold its consent to an extension of such cure period if corrective action shall be instituted by the Authority or the Trustee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section are subject to the following limitations: if, by reason of force majeure, the Authority shall be unable in whole or in part to carry out any agreement on its part herein contained, the Authority shall not be deemed in default during the continuance of such inability. The Authority agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Authority from carrying out its agreement; provided, however, that the settlement of strikes, lockout and other industrial disturbances shall be entirely within the discretion of the Authority, and the Authority shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Authority unfavorable to the Authority. A copy of any Notice required by this Section shall also be provided to the Trustee.

Section 12.2 Remedies on Default. Whenever any Event of Default referred to in Section 12.1 of this Ground Lease shall have happened and be continuing, the City, shall have the right, at its option without any further demand or notice, to take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Ground Lease.

Section 12.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the City to exercise any remedy reserved in this Article XII, it shall not be necessary to give any notice, other than such notice as may be required in this Article XII.

Section 12.4 Agreement to Pay Attorney's Fees and Expenses. In the event that either party hereto shall default under any of the provisions hereof and the nondefaulting party shall employ attorneys or incur other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein

contained, the defaulting party agrees that it shall on demand therefor pay to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party, to the extent that such attorney's fees and expenses may be determined to be reasonable by a court of competent jurisdiction; provided, however, that the obligation of the City under this Section 12.4 shall be subject to the availability of City Funds and the obligation of the Authority shall be subject to the legal availability of such funds.

Section 12.5 No Additional Waiver Implied by One Waiver. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 12.6 No Termination of Ground Lease Term. Notwithstanding the remedies provided above, the Ground Lease Term of this Ground Lease may not be terminated prior to the end of the Ground Lease Term described in Article IV hereof by reason of an Event of Default hereunder.

ARTICLE XIII

INSURANCE, INDEMNIFICATION AND ENVIRONMENTAL MATTERS

Section 13.1 Insurance. The Authority hereby covenants and agrees to at all times provide, maintain and keep in force or cause to be kept in force such insurance as set forth in Article IX of the Master Lease with respect to the Series 2016 Project.

Section 13.2 Public Liability Insurance. Unless the City is otherwise required to carry the insurance required by Section 9.5 of the Master Lease, the Authority agrees to carry or cause to be carried public liability insurance with one or more reputable insurance companies in minimum amounts of \$500,000 for personal injury or death to one person and \$1,000,000 for personal injury or death for each occurrence and \$300,000 for property damage for any occurrence. The insurance required by this Section may be by blanket insurance policy. The policies may have a deductible clause in such amount as shall be approved by the Authority, the City and the Trustee or absent such approval \$50,000.

Section 13.3 Workers' Compensation Coverage. Unless the City is otherwise required to carry such insurance pursuant to the Master Lease, at all times from the date hereof until the end of the Master Lease Term, the Authority shall maintain, or cause to be maintained, workers' compensation coverage with respect to officers, agents and employees of the Authority working in, on or about the Series 2016 Project, including coverage for occupational diseases.

Section 13.4 Indemnification Covenants. To the extent of the net proceeds of the insurance coverage of the Authority, the Authority shall and hereby agrees to indemnify and save the City harmless against and from all claims, by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Series 2016 Project during the Lease Term from: (i) any condition of the Series 2016 Project; and (ii) any act or negligence of the Authority or of any of its agents, contractors or employees or any violation of law or the breach of any covenant or warranty hereunder. To the extent of available moneys as set forth above, or the insurance coverage has a deductible amount, then from moneys to be appropriated under budget proceedings for future years, if such appropriations are then made, the Authority shall indemnify and save the City harmless, from any such claim arising as aforesaid from (i) or (ii) above, or in connection with any action or proceeding brought thereon and, upon notice from the City, shall defend it in any action or proceeding.

In exchange for the Authority's agreement to indemnify the City as provided in this Section, the City hereby agrees to assert any cause of action that it might individually have against any third parties for the benefit of the Authority. Furthermore, in no event will the City voluntarily settle or consent to the settlement of any proceeding arising out of any claim applicable to the Series 2016 Project without the written consent of the Authority.

Section 13.5 Environmental Matters. The City hereby makes the following covenants, warranties, representations and promises with respect to the Property for the benefit of the Authority, the Trustee and the owner of the Bonds:

(a) The City will comply with any and all Environmental Laws (as defined in the General Indenture) and shall pay, to the extent permitted by law and solely from and to the extent of City Funds (as defined in the Master Lease) at its sole cost and expense when due, the cost of any future reasonable and appropriate remediations of any spill, discharge, release or presence of any Hazardous Substance, and shall take appropriate steps to keep the Property free of any lien imposed pursuant to such Environmental Laws.

(b) In the event of any violation of any Environmental Law with respect to the Property or if the Environmental Protection Agency, any agency of the State, or any other federal, State or local governmental agency should rightfully initiate any action for the remediation of any "Hazardous Substance," (as that term is defined in the General Indenture), from the Property, the City hereby agrees, to the extent permitted by law and solely from and to the extent of City Funds, to indemnify and hold harmless the Authority, the Trustee and the owners of the Bonds from any liability, costs and expenses, including reasonable attorney's fees, incurred in remediation of such violation or such action.

(c) To the best knowledge of the City and after reasonable investigation, the Property does not contain any Hazardous Substances or hazardous or toxic substances, wastes or materials as defined in any applicable Federal, State or local laws or regulations.

ARTICLE XIV

MISCELLANEOUS

Section 14.1 Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows: if to the Authority, Municipal Building Authority of Syracuse City, Utah, 1979 West 1900 South, Syracuse, Utah, 84075, Attention: Chair/President; if to the City, 1979 West 1900 South, Syracuse, Utah, 84075, Attention: Mayor; and if to the Trustee as provided in the Master Lease. The Authority, the City and the Trustee, may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. For so long as the Purchaser is the owner of any Series 2016 Bonds, a copy of all notices, certificates and other communications given hereunder shall be provided to the Purchaser at Wells Fargo Bank, National Association, MAC U122-111, P.O. Box 45490, Salt Lake City, Utah, 84145-0490, Attention: Mr. Gregory Takenaka.

Section 14.2 Binding Effect. This Ground Lease shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns.

Section 14.3 Severability. In the event any provision of this Ground Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14.4 Amendments, Changes and Modifications. Subsequent to the issuance of the Series 2016 Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Ground Lease may not be effectively amended, changed, modified, altered or terminated without the written consent of Trustee.

Section 14.5 Execution in Counterparts. This Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14.6 Applicable Law. This Ground Lease shall be governed by and construed in accordance with the laws of the State.

Section 14.7 Captions. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Ground Lease.

Section 14.8 Assignment. This Ground Lease may be assigned and reassigned by the Authority and the Authority's interest in the Property transferred in accordance

with the terms hereof and of the Master Lease. This Ground Lease may not be assigned by the City for any reason.

Section 14.9 No Merger. The parties hereto agree that the doctrine of merger shall not operate to destroy or terminate the leasehold interest granted to the Authority under this Ground Lease.

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

(SEAL)



MUNICIPAL BUILDING AUTHORITY
OF SYRACUSE CITY, UTAH

By: T. Pasmus
Chair/President

ATTEST AND COUNTERSIGN:

By: [Signature]
Secretary-Treasurer

SYRACUSE CITY, UTAH

(SEAL)



By: T. Asmita
Mayor

ATTEST AND COUNTERSIGN:

By: CPM
City Recorder

EXHIBIT A

DESCRIPTION OF PROPERTY SITE FOR
SERIES 2016 PROJECT

A description of that certain Real Property located in Davis County, Utah, to wit:

PARCEL 1:

BEGINNING AT A POINT WHICH IS SOUTH 89°40'37" EAST 630.45 FEET; SOUTH 89°40'37" EAST 37.48 FEET; THENCE SOUTH 0°18'37" WEST 12.55 FEET TO THE EAST EDGE OF ASPHALT (EOA) WHICH IS THE ACCESS ROAD TO THE PUBLIC WORKS PARCEL AND TO A POINT ON A 22.75 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT; THENCE ALONG SAID EOA AND THE ARC OF SAID CURVE 30.24 FEET HAVING A CENTRAL ANGLE OF 76°09'34"(CHORD BEARS SOUTH 36°50'36" WEST 28.06 FEET); THENCE ALONG SAID EOA THE FOLLOWING (14) COURSES;(1) SOUTH 01°14'11" EAST 64.14 FEET; (2) THENCE SOUTH 0°05'25" WEST 49.57 FEET; (3) THENCE SOUTH 0°06'11" WEST 49.51 FEET; (4)THENCE SOUTH 0°03'58" EAST 37.31 FEET; (5) THENCE SOUTH 0°05'43" WEST 48.15 FEET; (6) THENCE SOUTH 0°09'30" EAST 96.99 FEET; (7) THENCE SOUTH 0°01'42" WEST 160.47 FEET; (8) THENCE SOUTH 0°21'44" WEST 139.50 FEET; (9)THENCE SOUTH 0°07'39" WEST 366.21 FEET; (10)THENCE SOUTH 01°10'29" WEST 152.76 FEET TO A POINT ON A 173.65 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT; (11) THENCE ALONG THE ARC OF SAID CURVE 77.41 FEET HAVING A CENTRAL ANGLE OF 25°32'23"(CHORD BEARS SOUTH 13°53'28" EAST 76.77 FEET); (12)THENCE SOUTH 27°36'11" EAST 24.14 FEET TO A POINT ON A 157.23 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT; (13)THENCE ALONG THE ARC OF SAID CURVE 85.89 FEET HAVING A CENTRAL ANGLE OF 31°17'58"(CHORD BEARS SOUTH 12°12'40" EAST 84.83 FEET); (14)THENCE SOUTH 0°20'07" WEST 596.27 FEET FROM THE NORTH QUARTER CORNER OF SECTION 21 TOWNSHIP 4 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN; THENCE NORTH 89°54'39" EAST 305.71 FEET; THENCE SOUTH 04°04'11" EAST 76.36 FEET; THENCE SOUTH 02°15'55" EAST 34.86 FEET; THENCE SOUTH 00°27'47" EAST 150.62 FEET; THENCE SOUTH 00°15'41" EAST 37.35 FEET; THENCE NORTH 84°24'08" WEST 9.26 FEET; THENCE SOUTH 00°05'36" EAST 68.05 FEET; THENCE SOUTH 00°15'04" WEST 212.06 FEET; THENCE NORTH 89°28'54" WEST 27.31 FEET; THENCE SOUTH 00°11'43" WEST 89.15 FEET; THENCE NORTH 89°39'40" WEST 313.50 FEET; THENCE NORTH 00°11'51" EAST 664.69 FEET; THENCE NORTH 89°54'39" EAST 34.96 FEET MORE OR LESS TO THE POINT OF BEGINNING.

Subject to a right -of -way over and across said property in Favor of Syracuse City for access to surrounding properties now in possession of Syracuse City or future acquisition's therein.

Part of Tax ID #'s: 12-103-0080, 12-103-0062, 12-103-0066 and 12-103-0064

PARCEL 2:

BEGINNING AT A POINT WHICH IS 1061.05 FEET SOUTH 0°06'52" WEST ALONG A THE SECTION LINE FROM THE NORTH WEST CORNER OF SECTION 15, TOWNSHIP 4 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG SAID SECTION LINE SOUTH 0°06'52" WEST 366.31 FEET; THENCE SOUTH 89°53'08" EAST 152.46 FEET; THENCE SOUTH 0°06'52" WEST 100.26 FEET TO THE NORTH LINE OF BRANDLEY ESTATES SUBDIVISION WHICH IS FILED IN THE DAVIS COUNTY RECORDERS OFFICE ENTRY NUMBER 1326134; THENCE ALONG THE NORTH LINE OF SAID SUBDIVISION NORTH 89°58'04" EAST 237.28 FEET; THENCE NORTH 0°01'56" WEST 381.73 FEET; THENCE NORTH 55°52'01" WEST 151.43 FEET; THENCE SOUTH 89°58'14" WEST 181.02 FEET; THENCE NORTH 89°54'03" WEST 82.23 FEET TO THE POINT OF BEGINNING.

Tax ID #'s part of 12-085-0016 and 12-085-0056

Subject to a right -of -way over and across said property in Favor of Syracuse City for access to surrounding properties now in possession of Syracuse City or future acquisition's therein.

PARCEL 3:

BEGINNING AT A POINT WHICH IS 227.15 FEET SOUTH 0°06'52" WEST ALONG A THE SECTION LINE FROM THE NORTH WEST CORNER OF SECTION 15, TOWNSHIP 4 NORTH, RANGE 2 WEST, SALT LAKE BASE AND MERIDIAN; THENCE ALONG SAID SECTION LINE SOUTH 0°06'52" WEST 536.07 FEET; THENCE SOUTH 89°53'08" EAST 223.00 FEET; THENCE SOUTH 0°06'52" WEST 57.56 FEET; THENCE NORTH 89°59'26" EAST 86.43 FEET; THENCE NORTH 0°01'53" EAST 582.26 FEET; THENCE SOUTH 89°58'31" WEST 165.28 FEET; THENCE NORTH 0°06'52" EAST 11.58 FEET; THENCE NORTH 89°53'08" WEST 143.30 FEET TO THE POINT OF BEGINNING.

Tax ID #'s

All of: 12-085-0002, 12-085-0014,

Part of: 12-085-0015, 12-085-0092, 12-085-0016

Subject to a right -of -way over and across said property in Favor of Syracuse City for access to surrounding properties now in possession of Syracuse City and/or future acquisition's therein.

PARCEL 4:

ALL OF LOT 1, FREMONT PARK SUBDIVISION, ACCORDING TO THE

OFFICIAL PLAT MAP RECORDED IN THE OFFICE OF THE DAVIS COUNTY
RECORDER.

Tax ID No.: 12-717-0001