

**RESOLUTION DECLARING OFFICIAL INTENT OF THE UTAH TRANSIT
AUTHORITY TO REIMBURSE ITSELF FOR CERTAIN CAPITAL
EXPENDITURES THROUGH LEASE FINANCING**

R2022-03-09

March 23, 2022

WHEREAS, Utah Transit Authority (the "Authority") is a large public transit district organized under the laws of the State of Utah and was created to transact and exercise all of the powers provided for in the Utah Limited Purpose Local Government Entities – Local Districts Act and the Utah Public Transit District Act (the "Act"); and

WHEREAS, under the Act, the Board of Trustees ("Board") of the Authority is required to review and approve contractual expenditures exceeding \$200,000; and

WHEREAS, the Authority expects to incur significant costs for transit system improvements, including without limitation, Vanpool vans, paratransit vehicles, non-revenue service vehicles, buses, and all related improvements (collectively, the "Project"); and

WHEREAS, the Authority has determined that it intends to finance the cost of the Project with the proceeds from one or more lease financings, the interest on which is excludable from gross income for federal income tax purposes (the "Leases"); and

WHEREAS, no costs of the Project were paid more than 60 days prior to the date of this Official Intent, other than preliminary expenditures (not exceeding 20% of the aggregate price of the Leases to be executed to finance the Project), provided that such preliminary expenditures shall not include cost of land acquisition or site preparation or other costs of construction or acquisition of the Project.

NOW, THEREFORE, the Board of Trustees of the Utah Transit Authority hereby declares the Official Intent of the Utah Transit Authority, AS FOLLOWS:

Section 1. Declaration of Official Intent to Finance Capital Expenditures; Maximum Authorized Debt. The Authority hereby declares its intention and reasonable expectation to use proceeds from the lease financings to reimburse itself for expenditures for costs of the Project. The Authority intends that the Leases are to be executed and the reimbursements are to be made by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditures was paid. The Authority anticipates that the maximum principal amount of the Leases executed to finance the Project will not exceed \$14,000,000.

Section 2. Nature of Project Costs. The costs of the Project consist entirely of capital expenditures or costs of issuance of the Leases, and no cost of the Project to be reimbursed with the proceeds from the Leases is a cost of working capital.

Section 3. No Replacement Proceeds. The Authority will not, at any time within one year after any allocation of proceeds from the Leases to reimburse any expenditure, use the reimbursed funds to create a sinking fund for the Leases, or to otherwise replace the proceeds of any of the Leases.

Section 4. Effective Date. This Official Intent shall take effect immediately.

Approved and adopted this 23rd day of March 2022.

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Carlton Christensen, Chair
Board of Trustees

ATTEST:

DocuSigned by:



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Secretary of the Authority

(Corporate Seal)



Approved As To Form:

DocuSigned by:



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Legal Counsel