

## Chapter 6 Utah State Fair Corporation Act

### Part 1 Creation and Authority of the Utah State Fair Corporation

#### **63H-6-101 Title.**

- (1) This chapter is known as the "Utah State Fair Corporation Act."
- (2) This part is known as "Creation and Authority of the Utah State Fair Corporation."

Amended by Chapter 301, 2016 General Session

#### **63H-6-102 Definitions.**

As used in this chapter:

- (1) "Board" means the board of directors of the corporation.
- (2) "Business related experience" means at least three years of professional experience in business administration, marketing, advertising, economic development, or a related field.
- (3) "Capital developments" means the same as that term is defined in Section 63A-5-104.
- (4) "Capital improvements" means the same as that term is defined in Section 63A-5-104.
- (5) "Corporation" means the Utah State Fair Corporation created by this chapter.
- (6) "Corporation bond" means a bond issued by the corporation in accordance with Part 2, Bonding Authority.
- (7) "Division" means the Division of Facilities Construction and Management created in Section 63A-5-201.
- (8) "Executive director" means the executive director hired by the board in accordance with Section 63H-6-105.
- (9)
  - (a) "State fair park" means the property owned by the state located at:
    - (i) 155 North 1000 West, Salt Lake City, Utah, consisting of approximately 50 acres;
    - (ii) 1139 West North Temple, Salt Lake City, Utah, consisting of approximately 10.5 acres; and
    - (iii) 1220 West North Temple, Salt Lake City, Utah, consisting of approximately two acres.
  - (b) "State fair park" includes each building and each improvement on the property described in Subsection (8)(a) that is owned by the state.

Amended by Chapter 301, 2016 General Session

#### **63H-6-103 Utah State Fair Corporation -- Legal status -- Powers.**

- (1) There is created an independent public nonprofit corporation known as the "Utah State Fair Corporation."
- (2) The board shall file articles of incorporation for the corporation with the Division of Corporations and Commercial Code.
- (3) The corporation, subject to this chapter, has all powers and authority permitted nonprofit corporations by law.
- (4) The corporation shall:
  - (a) manage, supervise, and control:
    - (i) all activities relating to the annual exhibition described in Subsection (4)(j); and

- (ii) except as otherwise provided by statute, all state expositions, including setting the time, place, and purpose of any state exposition;
  - (b) for public entertainment, displays, and exhibits or similar events:
    - (i) provide, sponsor, or arrange the events;
    - (ii) publicize and promote the events; and
    - (iii) secure funds to cover the cost of the exhibits from:
      - (A) private contributions;
      - (B) public appropriations;
      - (C) admission charges; and
      - (D) other lawful means;
  - (c) acquire and designate exposition sites;
  - (d) use generally accepted accounting principles in accounting for the corporation's assets, liabilities, and operations;
  - (e) seek corporate sponsorships for the state fair park or for individual buildings or facilities within the fair park;
  - (f) work with county and municipal governments, the Salt Lake Convention and Visitor's Bureau, the Utah Travel Council, and other entities to develop and promote expositions and the use of the state fair park;
  - (g) develop and maintain a marketing program to promote expositions and the use of the state fair park;
  - (h) in accordance with provisions of this part, operate and maintain the state fair park, including the physical appearance and structural integrity of the state fair park and the buildings located at the state fair park;
  - (i) prepare an economic development plan for the state fair park;
  - (j) hold an annual exhibition that:
    - (i) is called the state fair or a similar name;
    - (ii) promotes and highlights agriculture throughout the state;
    - (iii) includes expositions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral and industrial products, manufactured articles, and domestic animals that, in the corporation's opinion will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah;
    - (iv) includes the award of premiums for the best specimens of the exhibited articles and animals;
    - (v) permits competition by livestock exhibited by citizens of other states and territories of the United States; and
    - (vi) is arranged according to plans approved by the board;
  - (k) fix the conditions of entry to the annual exhibition described in Subsection (4)(j); and
  - (l) publish a list of premiums that will be awarded at the annual exhibition described in Subsection (4)(j) for the best specimens of exhibited articles and animals.
- (5) In addition to the annual exhibition described in Subsection (4)(j), the corporation may hold other exhibitions of livestock, poultry, agricultural, domestic science, horticultural, floricultural, mineral and industrial products, manufactured articles, and domestic animals that, in the corporation's opinion, will best stimulate agricultural, industrial, artistic, and educational pursuits and the sharing of talents among the people of Utah.
- (6) The corporation may:
- (a) employ advisers, consultants, and agents, including financial experts and independent legal counsel, and fix their compensation;
  - (b)

- (i) participate in the state's Risk Management Fund created under Section 63A-4-201; or
  - (ii) procure insurance against any loss in connection with the corporation's property and other assets, including mortgage loans;
  - (c) receive and accept aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or Utah;
  - (d) hold, use, loan, grant, and apply that aid and those contributions to carry out the purposes of the corporation, subject to the conditions, if any, upon which the aid and contributions were made;
  - (e) enter into management agreements with any person or entity for the performance of the corporation's functions or powers;
  - (f) establish whatever accounts and procedures as necessary to budget, receive, and disburse, account for, and audit all funds received, appropriated, or generated;
  - (g) subject to Subsection (8), lease any of the facilities at the state fair park;
  - (h) sponsor events as approved by the board; and
  - (i) enter into one or more agreements to develop the state fair park.
- (7)
- (a) Except as provided in Subsection (7)(c), as an independent agency of Utah, the corporation is exempt from:
    - (i) Title 51, Chapter 5, Funds Consolidation Act;
    - (ii) Title 51, Chapter 7, State Money Management Act;
    - (iii) Title 63A, Utah Administrative Services Code;
    - (iv) Title 63G, Chapter 6a, Utah Procurement Code;
    - (v) Title 63J, Chapter 1, Budgetary Procedures Act; and
    - (vi) Title 67, Chapter 19, Utah State Personnel Management Act.
  - (b) The board shall adopt policies parallel to and consistent with:
    - (i) Title 51, Chapter 5, Funds Consolidation Act;
    - (ii) Title 51, Chapter 7, State Money Management Act;
    - (iii) Title 63A, Utah Administrative Services Code;
    - (iv) Title 63G, Chapter 6a, Utah Procurement Code; and
    - (v) Title 63J, Chapter 1, Budgetary Procedures Act.
  - (c) The corporation shall comply with the legislative approval requirements for new facilities established in Subsection 63A-5-104(3).
- (8)
- (a) Before the corporation executes a lease described in Subsection (6)(g) with a term of 10 or more years, the corporation shall:
    - (i) submit the proposed lease to the State Building Board for the State Building Board's approval or rejection; and
    - (ii) if the State Building Board approves the proposed lease, submit the proposed lease to the Executive Appropriations Committee for the Executive Appropriation Committee's review and recommendation in accordance with Subsection (8)(b).
  - (b) The Executive Appropriations Committee shall review a proposed lease submitted in accordance with Subsection (8)(a) and recommend to the corporation that the corporation:
    - (i) execute the proposed sublease; or
    - (ii) reject the proposed sublease.

Amended by Chapter 301, 2016 General Session

**63H-6-104 Board of directors -- Membership -- Term -- Quorum -- Vacancies -- Duties.**

- (1) The corporation is governed by a board of directors.
- (2) The board is composed of members as follows:
  - (a) the director of the Division of Facilities Construction and Management or the director's designee;
  - (b) the commissioner of agriculture and food or the commissioner's designee;
  - (c) two members, appointed by the president of the Senate, who have business related experience and are not legislators;
  - (d) two members, appointed by the speaker of the House, who have business related experience and are not legislators;
  - (e) four members appointed by the governor with the consent of the Senate as follows:
    - (i) two members who represent agricultural interests; and
    - (ii) two members who have business related experience;
  - (f) one member, appointed by the mayor of Salt Lake City with the consent of the Senate, who is a resident of the neighborhood located adjacent to the state fair park;
  - (g) a representative of Salt Lake County, if Salt Lake County is party to an executed lease agreement with the corporation; and
  - (h) a representative of the Days of '47 Rodeo, if the Days of '47 Rodeo is party to an executed lease agreement with the corporation.
- (3)
  - (a)
    - (i) Except as provided in Subsection (3)(a)(ii), a board member appointed under Subsection (2) (c), (d), (e), or (f) shall serve a term that expires on the December 1 four years after the year that the board member was appointed.
    - (ii) In making appointments to the board, the president of the Senate, the speaker of the House, the governor, and the mayor of Salt Lake City shall ensure that the terms of approximately 1/4 of the appointed board members expire each year.
  - (b) Except as provided in Subsection (3)(c), appointed board members serve until their successors are appointed and qualified.
  - (c)
    - (i) If an appointed board member is absent from three consecutive board meetings without excuse, that member's appointment is terminated, the position is vacant, and the individual who appointed the board member shall appoint a replacement.
    - (ii) The president of the Senate, the speaker of the House, the governor, or the mayor of Salt Lake City, as applicable, may remove an appointed member of the board at will.
  - (d) The president of the Senate, the speaker of the House, the governor, or the mayor of Salt Lake City, as appropriate, shall fill any vacancy that occurs on the board for any reason by appointing an individual in accordance with the procedures described in this section for the unexpired term of the vacated member.
- (4) The governor shall select the board's chair.
- (5) A majority of the members of the board is a quorum for the transaction of business.
- (6) The board may elect a vice chair and any other board offices.
- (7) The board may create one or more subcommittees to advise the board on any issue related to the state fair park.
- (8) In carrying out the board's duties under this chapter, the board shall cooperate with and, upon request, appear before the State Fair Park Committee.
- (9) No later than November 30 of each year, the board shall provide the following to the State Fair Park Committee:

- (a) a report on the general state of the financial and business affairs of the corporation;
- (b) a report on that year's annual exhibition described in Subsection 63H-6-103(4)(j), including the exhibition's attendance, operations, and revenue;
- (c) any appropriation request that the board plans to submit to the Legislature; and
- (d) any other report that the State Fair Park Committee requests.

Amended by Chapter 301, 2016 General Session

**63H-6-104.5 State Fair Park Committee -- Creation -- Duties.**

- (1) To assist the board in the execution of the board's duties under this chapter, there is created the State Fair Park Committee consisting of the following six members:
  - (a) three members of the Senate appointed by the president of the Senate, no more than two of whom are from the same political party; and
  - (b) three members from the House of Representatives appointed by the speaker of the House, no more than two of whom are from the same political party.
- (2)
  - (a) The president of the Senate shall designate a member of the Senate appointed under Subsection (1)(a) as cochair of the committee.
  - (b) The speaker of the House of Representatives shall designate a member of the House of Representatives appointed under Subsection (1)(b) as cochair of the committee.
- (3)
  - (a) A majority of the members of the advisory committee constitutes a quorum.
  - (b) The action of a majority of a quorum constitutes the action of the committee.
- (4) The committee shall meet as necessary, as determined by the cochairs of the committee.
- (5) Salaries and expenses of the members of the committee shall be paid in accordance with Section 36-2-2 and Legislative Joint Rules, Title 5, Chapter 3, Legislator Compensation.
- (6) The Office of Legislative Research and General Counsel shall provide staff support to the committee.
- (7) The committee may consult with and make recommendations to the board regarding the board's duties under this chapter.
- (8) A recommendation of the committee is not binding upon the board.

Enacted by Chapter 301, 2016 General Session

**63H-6-105 Executive director.**

- (1)
  - (a) The board shall:
    - (i) hire an executive director for the corporation as provided in this subsection;
    - (ii) conduct a national search to find applicants for the position of executive director; and
    - (iii) establish the salary, benefits, and other compensation of the executive director.
  - (b) The board may appoint an interim director while searching for a permanent executive director.
  - (c) The executive director serves at the pleasure of the board and may be terminated by the board at will.
  - (d) The executive director is an employee of the corporation.
  - (e) The executive director may not be a member of the board.
- (2) The executive director shall:
  - (a) act as the executive officer of the board and the corporation;

- (b) administer, manage, and direct the affairs and activities of the corporation in accordance with the policies and under the control and direction of the board;
- (c) keep the board, the governor, the Legislature, and its agencies, and other affected officers, associations, and groups informed about the operations of the corporation;
- (d) recommend to the board any necessary or desirable changes in the statutes governing the corporation;
- (e) recommend to the board an annual administrative budget covering the operations of the corporation and, upon approval, submit the budget to the governor and the Legislature for their examination and approval;
- (f) after approval, direct and control the subsequent expenditures of the budget;
- (g) employ, within the limitations of the budget, staff personnel and consultants to accomplish the purpose of the corporation, and establish their qualifications, duties, and compensation;
- (h) keep in convenient form all records and accounts of the corporation, including those necessary for the administration of the state fair;
- (i) in cooperation with the board, create:
  - (i) business plans for the corporation;
  - (ii) a financial plan for the corporation that projects self-sufficiency for the corporation within two years; and
  - (iii) a master plan for the state fair park;
- (j) approve all accounts for:
  - (i) salaries;
  - (ii) allowable expenses of the corporation and its employees and consultants; and
  - (iii) expenses incidental to the operation of the corporation; and
- (k) perform other duties as directed by the board.

Renumbered and Amended by Chapter 370, 2011 General Session

**63H-6-106 Financial reports -- Audit -- Surety bonds.**

- (1)
  - (a) The corporation shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the governor and the Legislature.
  - (b) The report shall contain:
    - (i) a complete operating report detailing the corporation's activities; and
    - (ii) financial statements of the corporation audited by a certified public accountant according to generally accepted auditing standards.
- (2)
  - (a) At least once a year, the state auditor shall:
    - (i) audit the books and accounts of the corporation; or
    - (ii) contract with a nationally recognized independent certified public accountant to conduct the audit and review the audit report when it is completed.
  - (b) The corporation shall reimburse the state auditor for the costs of the audit.
  - (c) If the audit is conducted by an independent auditor, the independent auditor shall submit a copy of the audit to the state auditor for review within 90 days after the end of the fiscal year covered by the audit.
- (3)
  - (a) The corporation shall maintain a surety bond in the penal sum of \$25,000 for each member of the board.

- (b) The corporation shall maintain a surety bond in the penal sum of \$50,000 for the executive director.
- (c) The corporation shall ensure that each surety bond is:
  - (i) conditioned upon the faithful performance of the duties of office to which it attaches;
  - (ii) issued by a surety company authorized to transact business in Utah as a surety; and
  - (iii) filed in the office of the State Treasurer.
- (d) The corporation shall pay the cost of the surety bonds.

Renumbered and Amended by Chapter 370, 2011 General Session

**63H-6-107 Enterprise fund -- Creation -- Revenue -- Uses.**

- (1)
  - (a) There is created an enterprise fund entitled the Utah State Fair Fund.
  - (b) The executive director shall administer the fund under the direction of the board.
- (2) The fund consists of money generated from the following revenue sources:
  - (a) lease payments from person or entities leasing the state fair park or any other facilities owned by the corporation;
  - (b) revenue received from any expositions or other events wholly or partially sponsored by the corporation;
  - (c) aid or contributions of money, property, labor, or other things of value from any source, including any grants or appropriations from any department, agency, or instrumentality of the United States or Utah;
  - (d) appropriations made to the fund by the Legislature;
  - (e) revenue received under an agreement described in Subsection 63H-6-109(2); and
  - (f) any other income obtained by the corporation.
- (3)
  - (a) The fund shall earn interest.
  - (b) All interest earned on fund money shall be deposited into the fund.
- (4) The executive director may use fund money to operate, maintain, and support the Utah state fair, the state fair park, and other expositions sponsored by the corporation.

Amended by Chapter 301, 2016 General Session

**63H-6-108 Operation of the state fair park.**

- (1) The corporation shall:
  - (a) operate and maintain the state fair park in accordance with the facility maintenance standards approved by the State Building Board;
  - (b) pay for all costs associated with operating and maintaining the state fair park;
  - (c) obtain approval from the division before the corporation commences capital developments or capital improvements on the state fair park that involve:
    - (i) a construction project that costs more than \$250,000; or
    - (ii) the construction of a new building that costs more than \$1,000,000;
  - (d) obtain a building permit from the division before commencing an activity that requires a building permit;
  - (e) ensure that:
    - (i) any design plan related to the state fair park satisfies any applicable design standards established by the division or the State Building Board; and

- (ii) construction performed on the state fair park satisfies any applicable construction standards established by the division or the State Building Board;
  - (f) for any new construction project on the state fair park that costs \$250,000 or more:
    - (i) notify the division before commencing the new construction project; and
    - (ii) coordinate with the division regarding review of design plans and construction management;
  - (g) obtain approval from the division before the corporation makes any alteration or addition to the water system, heating system, plumbing system, air conditioning system, or electrical system;
  - (h) obtain approval from the State Building Board before the corporation demolishes a building or facility on the state fair park;
  - (i) keep the state fair park fully insured to protect against loss or damage by fire, vandalism, or malicious mischief;
  - (j) in accordance with Subsection (3), at the corporation's expense, and for the mutual benefit of the division, maintain general public liability insurance in an amount equal to at least \$1,000,000 through one or more companies that are:
    - (i) licensed to do business in the state;
    - (ii) selected by the corporation; and
    - (iii) approved by the division and the Division of Risk Management;
  - (k) ensure that the division is an additional insured with primary coverage on each insurance policy that the corporation obtains in accordance with this section;
  - (l) give the division notice at least 30 days before the day on which the corporation cancels any insurance policy that the corporation obtains in accordance with this section; and
  - (m) if any lien is recorded or filed against the state fair park as a result of an act or omission of the corporation, cause the lien to be satisfied or cancelled within 10 days after the day on which the corporation receives notice of the lien.
- (2) The State Building Board shall notify the State Historic Preservation Office of any State Building Board meeting at which the State Building Board will consider approval to demolish a facility on the state fair park.
- (3) The general public liability insurance described in Subsection (1)(j) shall:
- (a) insure against any claim for personal injury, death, or property damage that occurs at the state fair park; and
  - (b) be a blanket policy that covers all activities of the corporation.
- (4) The division shall administer any capital improvements on the state fair park that cost more than \$250,000.
- (5) Upon 24 hours notice to the corporation, the division may enter the state fair park to inspect the state fair park and make any repairs that the division determines necessary.
- (6) If the corporation no longer operates as an independent public nonprofit corporation as described in this chapter, the state shall assume the responsibilities of the corporation under any contract that is:
- (a) in effect as of the day on which the status of the corporation changes; and
  - (b) for the lease, construction, or development of a building or facility on the state fair park.
- (7)
- (a) A debt or obligation contracted by the corporation is a debt or obligation of the corporation.
  - (b) The state is not liable and assumes no responsibility for any debt or obligation described in Subsection (7)(a), unless the Legislature expressly:
    - (i) authorizes the corporation to contract for the debt or obligation; and
    - (ii) accepts liability or assumes responsibility for the debt or obligation.

- (8) The provisions of this section apply notwithstanding any contrary provision in Title 63A, Chapter 5, State Building Board - Division of Facilities Construction and Management.

Amended by Chapter 2, 2016 Special Session 3

**63H-6-109 Tax -- Exemption -- Tax equivalent payment.**

- (1) The possession or beneficial use of property within the state fair park is exempt from taxation under Title 59, Chapter 4, Privilege Tax.
- (2)
- (a) Any agreement between the corporation and a person to develop property within the state fair park shall provide that the person shall, in accordance with Title 59, Chapter 3, Tax Equivalent Property Act, make a tax equivalent payment as defined in Section 59-3-102 to the corporation each year.
  - (b) The corporation shall deposit all revenue collected under Subsection (2)(a) into the Utah State Fair Fund created in Section 63H-6-107.

Enacted by Chapter 301, 2016 General Session

**Part 2**  
**Bonding Authority**

**63H-6-201 Title.**

This part is known as "Bonding Authority."

Enacted by Chapter 301, 2016 General Session

**63H-6-202 Resolution authorizing issuance of corporation bond -- Presentation to Executive Appropriations Committee -- Characteristics of bond.**

- (1)
- (a) The corporation may:
    - (i) issue bonds on which the principal and interest are payable:
      - (A) exclusively from the income, purchase or lease payments, and revenues of the corporation; or
      - (B) from the corporation's revenues generally; or
    - (ii) issue refunding bonds for the purpose of paying or retiring bonds previously issued by the corporation.
  - (b) The corporation may not issue a corporation bond, unless before the issuance of the bond:
    - (i)
      - (A) the corporation presents to the Executive Appropriations Committee a proposed resolution authorizing the issuance of the corporation bond; and
      - (B) the Executive Appropriations Committee makes a recommendation in accordance with Subsection (1)(c); and
    - (ii) the board adopts a resolution authorizing the issuance of the corporation bond.
  - (c) Following a presentation described in Subsection (1)(b), the Executive Appropriations Committee shall vote whether the Executive Appropriations Committee recommends the

corporation adopt, amend, or reject the proposed resolution authorizing the issuance of the corporation bond.

- (2)
- (a) If provided in a resolution authorizing the issuance of a corporation bond or in the trust indenture under which the corporation bond is issued, a corporation bond may be:
    - (i) issued in one or more series; and
    - (ii) sold:
      - (A) at a public or private sale; and
      - (B) in the manner provided in the resolution or indenture.
  - (b) A corporation bond shall:
    - (i) bear the date provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (ii) be payable at the time provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (iii) bear interest at the rate provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (iv) be in the denomination and in the form provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (v) carry the conversion or registration privileges provided in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (vi) have the rank or priority described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (vii) be executed in the manner described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (viii) be subject to the terms of redemption or tender, with or without premium, as described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued;
    - (ix) be payable in the medium of payment and at the place described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued; and
    - (x) have any other characteristics described in the resolution authorizing the issuance of the corporation bond or the trust indenture under which the corporation bond is issued.

Enacted by Chapter 301, 2016 General Session

**63H-6-203 Sources from which a corporation bond may be made payable -- Corporation powers regarding corporation bond.**

- (1) The principal and interest on a corporation bond may be made payable from the income and revenues of the corporation.
- (2) In connection with the issuance of a corporation bond, the corporation may:
  - (a) pledge all or any part of the corporation's gross or net revenues to which the corporation:
    - (i) has a right that exists at issuance of the corporation bond; or
    - (ii) may have a right that comes into existence after issuance of the corporation bond; and
  - (b) make any covenant or perform any act calculated to make the bond more marketable.
- (3) A member of the board or other person executing a corporation bond is not liable personally on the corporation bond.
- (4)

- (a) A corporation bond:
  - (i) is not a general obligation or liability of the state or any of the state's political subdivisions;  
and
  - (ii) does not constitute a charge against the general credit or taxing powers of the state or any of the state's political subdivisions.
- (b) A corporation bond is not payable out of money or properties other than those of the corporation pledged for the payment of the bond.
- (c) A community, the state, or a political subdivision of the state may not be liable on a corporation bond.
- (d) A corporation bond does not constitute indebtedness within the meaning of a constitutional or statutory debt limitation.
- (5) A corporation bond is fully negotiable.
- (6) A corporation bond is:
  - (a) issued for an essential public and governmental purpose; and
  - (b) together with interest on the corporation bond and income from the corporation bond, exempt from state taxes except the corporate franchise tax.
- (7) Nothing in this section may be construed to limit the right of an obligee to pursue a remedy for the enforcement of a pledge or lien given under this part by the corporation on the corporation's rents, fees, grants, properties, or revenues.

Enacted by Chapter 301, 2016 General Session

**63H-6-204 Purchaser of a corporation bond.**

- (1) The following may purchase a corporation bond with funds owned or controlled by the purchaser:
  - (a) a person;
  - (b) a political subdivision of the state;
  - (c) another entity; or
  - (d) a public or private officer.
- (2) Nothing in this part may be construed to relieve a purchaser of a corporation bond of a duty to exercise reasonable care in selecting securities.
- (3) The corporation may purchase the corporation's own corporation bond at a price that the board determines.

Enacted by Chapter 301, 2016 General Session

**63H-6-205 Obligee rights.**

In addition to a right that is conferred on an obligee of a corporation bond and subject to contractual restrictions binding on the obligee, an obligee may:

- (1) by mandamus, suit, action, or other proceeding:
  - (a) compel the corporation and the corporation's board, officers, agents, or employees to perform every term, provision, and covenant contained in a contract of the corporation with or for the benefit of the obligee; and
  - (b) require the corporation to carry out the covenants and agreements of the corporation and to fulfill the duties imposed on the corporation by this part; and
- (2) by suit, action, or proceeding in equity enjoin an act that is unlawful or violates the rights of the obligee.

Enacted by Chapter 301, 2016 General Session