

Mayor
MICHAEL KOURIANOS

City Attorney
ERIC JOHNSON

City Recorder
JACI ADAMS

City Treasurer
CAROLYN MARSING

Finance Director
LISA RICHENS



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PHONE (435) 637-5010 - Fax (435) 637-7263
www.pricecityutah.com

PRICE CITY COUNCIL

City Council

JOE CHRISTMAN

RICK DAVIS

AMY KNOTT-JESPERSEN

BOYD MARSING

LAYNE MILLER

PUBLIC NOTICE OF MEETING

Public notice is hereby given that the City Council of Price City, Utah, will hold a Regular Meeting in the Council Chambers, 185 East Main, Price, Utah, at 05:30 PM on 11/08/2023. The Mayor reserves the right to modify the sequence of agenda items in order to facilitate special needs.

1.PLEDGE OF ALLEGIANCE

2.ROLL CALL

3.SAFETY SECONDS Councilmember Christman

4.PUBLIC COMMENTS

5.GENERAL BUSINESS/DISCUSSION

- a. **PLANNING AND ZONING COMMISSION APPOINTMENTS.** Consideration and possible approval of the reappointment of Jan Young, Todd Thorne and Judy Beacco to the Price City Planning and Zoning Commission. Upon approval of the appointments each will be sworn in by the City Recorder.
- b. **RESOLUTION NO. 2023-021 - A Resolution of the Governing Body of Price Municipal Corporation,** Authorizing the Execution and Delivery of a Municipal Lease-Purchase Agreement with Respect to the Acquisition, Financing and Leasing of Certain Equipment for the Public Benefit Within the Terms Provided Herein; Authorizing the Execution and Delivery of Documents Required in Connection Therewith; and Authorizing the Taking of All Other Actions Necessary to the Consummation of the Transactions Contemplated by This Resolution.
- c. **AUDITORIUM/AMBASSADOR FOR HOPE CHRISTMAS CONCERT.** Wendy Grant, Ambassador For Hope Children's Choir is requesting use of the Price City Auditorium on December 4, 2023 from 6:00 p.m.to 8:00 p.m. along with the fee being waived.

6.CONSENT AGENDA

- a. **MINUTES** for 10-25-2023 City Council Workshop and City Council.
- b. **CITY AUDIT** - Consideration and possible approval of an agreement with Larson & Company for

financial audit services for the Fiscal Year Ending June 30, 2023.

- c. SURFACE RIGHTS AGREEMENT. Consideration and possible approval of a Subordination and Waiver of Surface Rights Agreement between Price City and Savage Services Corporation.
- d. BUSINESS LICENSES. Hand Candy Tattoo at 80 S Carbon Ave for Keisha Way. Blossom Bookkeeping, LLC at 808 N 1100 E for Grace Hilliker.

7.UNFINISHED BUSINESS

Note: In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should contact the City Records Office at 185 E. Main Price, Utah, telephone 435-636-3183 at least 24 hours prior to the meeting.

CERTIFICATE OF APPOINTMENT

THIS CERTIFICATE CONFIRMS THE APPOINTMENT OF

Jan Young

TO THE PRICE CITY PLANNING & ZONING COMMISSION

1-1-24 to 12-31-26

Price
Utah

Michael Kourianos

MICHAEL KOURIANOS, MAYOR

10-25-23

DATE

CERTIFICATE OF APPOINTMENT

THIS CERTIFICATE CONFIRMS THE APPOINTMENT OF

Judy Beacca

TO THE PRICE CITY PLANNING & ZONING COMMISSION

1-1-24 to 12-31-26

Price
Utah

Michael Kourianos

MICHAEL KOURIANOS, MAYOR

10-25-23

DATE

CERTIFICATE OF APPOINTMENT

THIS CERTIFICATE CONFIRMS THE APPOINTMENT OF

Todd Thorne

TO THE PRICE CITY PLANNING & ZONING COMMISSION

1-1-24 to 12-31-26

Price
Utah

Michael Kourianos

MICHAEL KOURIANOS, MAYOR

10-25-23

DATE

RESOLUTION NO. 2023-021

FORM OF AUTHORIZING RESOLUTION

A RESOLUTION OF THE GOVERNING BODY OF [PRICE MUNICIPAL CORPORATION], AUTHORIZING THE EXECUTION AND DELIVERY OF AN MUNICIPAL LEASE-PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT WITHIN THE TERMS PROVIDED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, [Price Municipal Corporation] (the “*Lessee*”), a [city] [county] [school district] [special district] [body corporate and politic] duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of Utah, is authorized by the laws of the State of Utah to acquire, finance and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to acquire, finance and lease certain equipment with a cost not to exceed \$589,191.60 constituting personal property necessary for the Lessee to perform essential governmental functions (the “*Equipment*”); and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into Municipal Lease-Purchase Agreements (the “*Agreements*”) with Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance (or one of its affiliates), as lessor, (the “*Lessor*”), the form of which has been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreements and the other documentation relating to the acquisition, financing and leasing of the Equipment to be therein described on the terms and conditions therein and herein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of the Lessee as follows:

Section 1. Findings and Determinations. It is hereby found and determined that the terms of the Agreements, in substantially the form presented to the governing body of Lessee at this meeting, are in the best interests of the Lessee for the acquisition, financing and leasing of the Equipment.

Section 2. Approval of Documents; Designation as Bank Qualified. The form, terms and provisions of the Agreements are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the officers and officials of the Lessee or other members of the governing body of the Lessee executing the same,

the execution of such documents being conclusive evidence of such approval; and the Mayor of the Lessee is hereby authorized and directed to execute with such changes as the Mayor deems appropriate, and the City Recorder of the Lessee is hereby authorized and directed to attest, the Agreements and any related Exhibits attached thereto and to deliver the Agreements (including such Exhibits) to the respective parties thereto [, and the City Recorder of the Lessee is hereby authorized to affix the seal of the Lessee to such documents].

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreements to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of a Final Acceptance Certificate, escrow agreements, disbursement requests and any tax certificate and agreement, as contemplated in the Agreements) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreements, including designation of the Agreements as “qualified tax-exempt obligations” under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, if requirements for such designation can be met.

Section 4. Appointment of Authorized Lessee Representatives. The Mayor and Finance Director of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreements and any escrow agreements until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreements or any escrow agreement.

Section 5. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency with respect to this Resolution. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this _____ day of _____.

[_____] ,

as lessee

[SEAL]

By: _____

Printed Name: _____

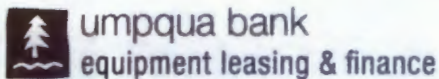
Title: _____

ATTEST:

By: _____

Printed Name: _____

Title: _____



October 12, 2023

Brandon Scillia
Chief of Police
Price City
185 E Main St.
Price, UT 84501

Dear Brandon Scillia:

I am pleased to present the terms and conditions of our proposal to lease equipment to Price City. This letter is not an approval to enter into a lease, nor should it be construed as an offer or commitment to perform any undertaking.

An approval of this proposal may be considered after full review by the appropriate officers of Financial Pacific Leasing, Inc. and Umpqua Bank. Final approval may contain additional or modified terms.

Please indicate your interest in our proposal by signing and returning the enclosed copy of the "Terms and Conditions" **by October 30, 2023**. By accepting our proposal, you agree that Umpqua Bank Equipment Leasing & Finance shall not be held liable for any action or inaction stemming from this letter.

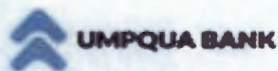
Thank you for this opportunity to respond to your needs. We hope that our proposal is both timely and competitive, and we look forward to working with you to successfully fund and close this transaction.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rik Johnson".

Rik Johnson
Vice President
Umpqua Bank Equipment Leasing & Finance
Business Development Officer

M (425) 241-7969



[Web](#) | [Facebook](#) | [Twitter](#)

Terms and Conditions:

Lessor: Financial Pacific Leasing, Inc., d.b.a. Umpqua Bank Equipment Leasing & Finance, a subsidiary of Umpqua Bank or it's assigns ("Lessor")

Lessee(s): Price City

Equipment Financing Vehicle: Municipal Lease-Purchase Agreement

Equipment & Cost: Various vehicles listed on Exhibit "A" attached with this proposal as a separate excel spread sheet (the "Equipment"). All Equipment shall be satisfactory to Lessor.

Lease Amount: Not to exceed \$589,191.60 in the aggregate.

Lease Term: Five (5) years

Payments: Five (5) payments, payable annually to be paid November 1st of each year beginning November 1, 2023, with the final payment on November 1, 2028.

Option A – Fund into Escrow

Structure: Lease-Purchase for the entire \$589,191.60 would commence and the funds would be held in escrow. Vehicles would be pre-accepted to allow funds to be disbursed to the appropriate vendor(s) ahead of actual delivery of the vehicle(s). A fee of \$100 will be payable by Lessee upon execution of each lease. A titling fee of \$10 per vehicle will be due as each vehicle is delivered.

Interest Rate: The amount funded into escrow shall accrue interest at the tax-exempt rate of 5.38% per annum, payable in advance.

The interest rate specified above is based upon the 5 year like term US Treasury Rate sourced from Chatham Financial Market Data ("Index") at 4.31% as of 8/11/2023. Should the Index increase prior to any loan schedule documentation and commencement, the interest rate shall be adjusted to maintain the economic returns anticipated by Lessor. The interest rate becomes fixed upon funding into escrow.

Early Buy-Out Option: So long as (i) Lessee is current in the payment of all rent and other amounts due under the lease, (ii) no event of default or event of non-appropriation exists under the lease, and (iii) subject to a minimum of 30 days written notice to Lessor, Lessee term may terminate the lease on the three year anniversary of the

Commencement Date of the lease by paying the currently due rental payments, as well as outstanding principal component of the lease, and any other past due amounts or other amounts due under the lease, plus any applicable taxes. The equipment shall be conveyed to Lessee on an "as-is, where-is" basis, without any representation or warranty from Lessor. The Early Buy-Out Option shall be available for just part of the equipment, and the prepayment of principal shall be determined for such item of equipment based on the percent of the total financed amount attributable to such equipment of the original principal amount of the lease.

Any prepayments other than the Early Buy-Out Option shall be solely with the prior written consent of Lessor.

Option A Commencement

Date and Acceptance:

The funding into escrow shall be the Commencement Date under this Option A. It is contemplated that disbursement requests for items of Equipment shall be made periodically when delivery and acceptance of the item of Equipment occurs. A condition to such disbursement request shall be the listing of Lessor's lien on the vehicle title for said vehicle. The parties agree and understand that Lessee's unconditional acceptance of the Equipment vis-à-vis the Lessor, does not waive any rights and remedies that Lessee has and shall retain against the vendor.

Option B – Periodic Funding per Vehicle

Structure:

Individual lease agreements for each vehicle. Vehicles would be pre-accepted to allow funds to be disbursed to the appropriate vendor(s) ahead of actual delivery of the vehicle. A fee of \$100 will be payable by Lessee upon execution of each agreement. A titling fee of \$10 per vehicle will be due as each vehicle is delivered.

Interest Rate:

The amount funded for such equipment on a lease shall accrue interest at the tax-exempt rate of 5.38% per annum, payable in advance. The amortization schedule for the lease for such equipment shall provide for a principal payment schedule resulting in level debt service payments.

The interest rate specified above is based upon the 5 year like term US Treasury Rate sourced from Chatham Financial Market Data ("Index") at 4.31% as of 8/11/2023. Should the Index increase prior to any final acceptance of equipment under a lease, the interest rate shall be adjusted to maintain the economic returns anticipated by Lessor. The interest rate becomes fixed for each individual lease agreement upon final delivery and acceptance of the specific vehicle for said agreement.

Early Buy-Out Option:

So long as (i) Lessee is current in the payment of all rent and other amounts due under the lease, (ii) no event of default or event of non-appropriation exists under the lease, and (iii) subject to a minimum of 30 days written notice to Lessor, Lessee term may terminate the lease on the three year anniversary of the Commencement Date of the lease by paying the currently due rental payments, as

well as outstanding principal component of the lease, and any other past due amounts or other amounts due under the lease, plus any applicable taxes. The equipment shall be conveyed to Lessee on an "as-is, where-is" basis, without any representation or warranty from Lessor.

Any prepayments other than the Early Buy-Out Option shall be solely with the prior written consent of Lessor.

Option B Commencement

Date and Acceptance: The Commencement Date for each Lease entered into under this Option B shall be the date that funds are remitted to the vendor for said vehicle. Conditions for remitting funds to the vendor shall include: (i) evidence of the listing of Lessor's lien on the vehicle title for said Equipment and (ii) acceptance of the Equipment by Lessee. The parties agree and understand that Lessee's unconditional acceptance of the Equipment vis-à-vis the Lessor, does not waive any rights and remedies that Lessee has and shall retain against the vendor.

Additional Provisions Applicable to Both Options

Tax Benefits: The lease shall be considered a municipal lease/purchase and shall qualify for tax-exempt status under federal tax law. Lessee shall pay all fees, assessments, sales, use, property and other taxes imposed, except those levied on the net income of Lessor by the United States, the State of Utah, or other applicable jurisdiction. The documents shall include the standard covenants, representations, and warranties applicable to a tax-exempt financing.

End of Lease Options: At the end of the five-year lease term, Lessee will have the option to purchase all, but not less than all, of the Equipment under a lease for \$1.00.

Expiration of Facility: All takedowns shall occur prior to 12/1/23, and without written consent of Lessor to extension, the facility shall expire. Lessor shall have no obligation to lease any item of Equipment after said date.

Net Lease: All costs of operation, maintenance, taxes, insurance and other affiliated costs will be paid by Lessee as this transaction has been structured as a triple net lease.

Insurance: Lessee will provide evidence of all-risk physical damage and liability insurance coverage in such amounts and with deductibles all as may be required by Lessor. In addition, endorsements and assignments of such policies shall name Lessor (and its assigns) as loss payee and/or additional insured, as may be required by Lessor. All insurance coverage shall be from a carrier acceptable to Lessor.

Maintenance: Lessee shall, at its sole cost and expense, maintain the Equipment in compliance with all statutes, laws, ordinances, regulations, standards, and directives (including environmental) by any governmental agency and the Equipment must be maintained in accordance with all manufacturer's suggested and

recommended maintenance procedures including preventive maintenance; and such other maintenance and return conditions as the Lessor may require.

Documentation:

All legal matters and all documentation to be executed in connection with the contemplated lease shall be satisfactory in form and substance to Lessor and counsel to Lessor.

Costs & Expenses:

Lessee shall be responsible for all fees, costs and disbursements incurred by Lessor in connection therewith, including without limitation, all fees and disbursements of counsel to Lessor (if any), appraisal costs (if any) and all filing and search fees.

**Additional Terms
& Conditions:**

- 1) The non-appropriation clause in the lease shall be satisfactory to Lessor.
- 2) Tax-exempt borrowing for 2023 by Lessee is not reasonably expected to exceed \$10,000,000, so it is assumed that, and pricing is based on, the leases being "Bank Qualified" under section 265(b)(3) of the IRS Code.
- 3) Lessee is a state or political subdivision thereof, within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended.
- 4) Lessor shall receive an Opinion from Lessee's counsel stating that the lease qualifies for tax-exempt financing under IRS guidelines and the Opinion must reference #2 and #3 above.
- 5) Lessee's counsel shall provide with respect to each lease (i) an opinion that such lease is duly executed and delivered by Lessee and is a legal, valid, and binding obligation of Lessee enforceable in accordance with its terms, and (ii) such other customary opinions for such municipal leases.
- 6) Customary reporting requirements of Lessee.
- 7) Lessee shall prepare and file a Form 8028-G as a condition to funding for each lease.

Confidentiality:

Except as required by law, the proposal and its terms and conditions will not be disclosed publicly or privately except to those individuals who are your officers, employees or advisors who have a need to know because of being involved in the proposed financing. The foregoing confidentiality provisions shall not apply to the disclosure of the federal income tax structure or treatment of the proposed financing.

Authorization:

Lessee acknowledges and agrees that Lessor may furnish all Lessee presented information, financials, analysis, and related credit and review materials to its employees, counsel, and agents as well as its participants and assigns. Lessee authorize Lessor to contact Umpqua Bank, and all trade suppliers and other references of Lessee, and to order any and all credit checks and investigative reports, all as Lessor deems necessary in connection with the evaluation of the transaction.

This proposal is for discussion purposes only, and is only a general, non-binding proposal on the part of Lessor.

[Acceptance page follows.]

I/We have reviewed the above Terms and Conditions and request the Lessor to pursue underwriting and approval of a commitment for the described lease agreement.

Accepted this ____ day of _____, 2023

Price City

By: _____

Printed Name: _____

Title: _____

Please select your Option below:

☐ **Option A – Fund into Escrow**

☒ **Option B – Periodic Funding per Vehicle**

Exhibit A

Price City

YEAR	MAKE	MODEL	VIN	11/1/2023	11/1/2024	11/1/2025	11/1/2026	11/1/2027	11/1/2028
2023	Ford	F150	1FTFW1ED5PFA38390	\$8,092.81	\$8,092.81	\$8,092.81	\$27,460.17	\$27,460.17	\$1.00
2023	Ford	F150	1FTFW1ED7PFA46099	\$8,092.81	\$8,092.81	\$8,092.81	\$27,460.17	\$27,460.17	\$1.00
2023	Ford	F150	1FTFW1ED0PFA38474	\$8,092.81	\$8,092.81	\$8,092.81	\$27,460.17	\$27,460.17	\$1.00
2023	Ford	F150	1FTFW1ED0PFA38619	\$8,092.81	\$8,092.81	\$8,092.81	\$27,460.17	\$27,460.17	\$1.00
2023	Ford	F150	1FTFW1ED1PFA38354	\$8,092.81	\$8,092.81	\$8,092.81	\$27,460.17	\$27,460.17	\$1.00
2023	Ford	F150	1FTFW1ED2PFA38850	\$8,092.81	\$8,092.81	\$8,092.81	\$27,460.17	\$27,460.17	\$1.00
2023	Ford	F150	1FTFW1ED0PFA38507	\$8,092.81	\$8,092.81	\$8,092.81	\$27,460.17	\$27,460.17	\$1.00
2022	Ford	F150	1FTFW1E81NKE95902	\$7,082.46	\$7,082.46	\$7,082.46	\$24,374.00	\$24,374.00	\$1.00



MUNICIPAL LEASE-PURCHASE AGREEMENT

[Lease # ____]

THIS MUNICIPAL LEASE-PURCHASE AGREEMENT [Lease # ____], dated as of ____ ("Lease") is made by and between Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance, having an address at 3455 South 344th Way Ste. 300, Federal Way, WA 98001 ("Lessor"), and ____, a municipal corporation existing under the laws of the State of ____, with offices located at ____ ("Lessee").

1. Lease; Terms; Early Buy-Out Option.

(a) Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment described in the equipment schedule attached hereto as Exhibit A and incorporated by this reference (the "Equipment Schedule"), subject to and upon the terms set forth in this Lease.

(b) The following terms shall be applicable for this Lease.

i. Principal component for the Lease: \$[____].

ii. Interest Rate:[____]%. [The Interest Rate specified is based upon the 5 year like term semi-bond Swap Rate sourced from Chatham Financial Market Data ("Index") at ____%, as of __/__/23. Should the Index increase prior to the Funding Date, the Interest Rate shall be adjusted to maintain the economic returns anticipated by Lessor. The Interest Rate becomes fixed on the Rent Commencement Date, defined below.]

iii. Payment Frequency: [Annual][Semi-annual][Advance][Arrears]

iv. Term: Ending 5 years from the Rent Commencement Date.

(c) So long as (i) Lessee is current in the payment of all Rent and other amounts due under this Lease, (ii) no Default or Non-appropriation exists under this Lease, and (iii) subject to a minimum of 30-days written notice to Lessor, Lessee may terminate this Lease on the three year anniversary of the Funding Date of this Lease (the "Early Buy-Out Date") by paying the currently due Rent, as well as outstanding principal component of this Lease, and any interest accrued thereon to the Early Buy-Out Date, and any other past due amounts or other amounts due under this Lease, plus any applicable taxes (the "Early Buy-Out Option"). The Equipment shall be conveyed to Lessee by Lessor on an "as-is, where-is" basis, without any representation or warranty from Lessor.

(d) So long as (i) Lessee is current in the payment of all Rent and other amounts due under this Lease, (ii) no Default or Non-appropriation exists under this Lease, and (iii) subject to a minimum of 30-days written notice to Lessor, Lessee may prepay this Lease on (A) the one year anniversary of the Funding Date of this Lease by paying the currently due Rent, as well as 102% of the outstanding principal component of this Lease or (B) the two year anniversary of the Funding Date of this Lease by paying the currently due Rent, as well as 101% of the outstanding principal component of this Lease, as well as any interest accrued thereon to the Prepayment Date, and any other past due amounts or other amounts due under this Lease, plus any applicable taxes. The Equipment shall be conveyed to Lessee by Lessor on an "as-is, where-is" basis, without any representation or warranty from Lessor.

Any other prepayments other than the Early Buy-Out Option shall be solely with the prior written consent of Lessor.

2. Definitions. As used in this Lease, the following terms shall have the following meanings and shall be equally applicable to both the singular and the plural forms thereof:

"Acceptance Date" means, with respect to the Equipment, the date of execution by Lessee of a Certificate of Acceptance for such Equipment in the form attached hereto as Exhibit C.

"Equipment" means each item of equipment and other property designated in the Equipment Schedule that will be leased by Lessee pursuant to the Lease, together with all replacement

UBELF-MLA-MUNI-US-2-23-17

Financial Pacific Leasing, Inc., doing business as Umpqua Bank Equipment Leasing & Finance, is a subsidiary of Umpqua Bank. Products offered by Financial Pacific Leasing, Inc., are not FDIC insured.

parts, substitutions, additions, attachments, successions and accessories incorporated therein or affixed thereto.

"Funding Date" the Funding Date is the date that Lessor disburses funds for the purchase or financing of the Equipment pursuant to the Funding Request. Interest under the Lease accrues from the Funding Date at the Interest Rate. Lessor will not disburse funds for the purchase of the Equipment until it receives the executed Certificate of Acceptance from Lessee.

"Funding Request" means the funding request for the purchase or financing of the Equipment in the form attached hereto as Exhibit D.

"Initial Term" means the period beginning with the Rent Commencement Date and ending at the conclusion of the budget year of Lessee in effect at the Rent Commencement Date.

"Lease Documents" means this Lease, the Equipment Schedule, Riders, Exhibits and all other documents now or hereafter executed in connection herewith or therewith, as the same may be modified, amended, extended or replaced.

"Payment Schedule" means the "Payment Schedule" attached hereto as Exhibit B and incorporated by this reference, setting forth the Rent payments through the duration of the Initial Term and each potential Renewal Term, with the interest and principal components separated. To the extent that the Funding Date occurs before the Rent Commencement Date, then the first Rental Payment shall be increased to include interest accruing at the Interest Rate on the Principal Component from the Funding Date to the Rent Commencement Date.

"Purchase Agreement" means any purchase agreement or other contract entered into between a Supplier and Lessee or Lessor for the acquisition of Equipment to be leased or financed hereunder.

"Renewal Term" means any period commencing immediately upon the end of the Initial Term or any prior Renewal Term, unless the Lease is terminated as provided herein, each Renewal Term having a duration of one year matching each of Lessee's budget years.

"Rent" means the periodic rental payments due under the Lease for the leasing of Equipment as set forth on the Payment Schedule and, where the context hereof requires, all such additional amounts as may, from time to time, be payable under any provision of a Lease. The term "Rent" shall include interim rent, if any.

"Rent Commencement Date" means, with respect to Equipment (and unless otherwise indicated on the Payment Schedule), the latter of [September 1, 2023 or]the first day of the calendar month following the Funding Date, Lessor will not disburse funds for the purchase of the Equipment until it receives the executed Certificate of Acceptance from Lessee.

"Rent Payment Date" shall have the meaning specified in the Payment Schedule.

"Supplier" means the manufacturer or the vendor of the Equipment specified on an Equipment Schedule.

"Term" means the Initial Term and any Renewal Term.

3. **Delivery and Acceptance.** Upon delivery to Lessee of any Equipment and Lessee's inspection thereof, Lessee shall execute and deliver to Lessor a written statement in a form acceptable to Lessor (a) acknowledging receipt of the Equipment in good condition and repair and (b) accepting the Equipment as satisfactory in all respects for the purposes of the Lease (the **"Certificate of Acceptance"**), generally in the form of Exhibit C, hereto. **LESSOR SHALL HAVE NO OBLIGATION TO ADVANCE FUNDS FOR SUCH PURCHASE OR FINANCING UNLESS AND UNTIL LESSOR RECEIVES A CERTIFICATE OF ACCEPTANCE FOR ALL EQUIPMENT UNDER THIS LEASE EXECUTED BY LESSEE.** Execution of the Acceptance Certificate shall have no effect on Lessee's rights and remedies against the Supplier.

4. **Rent; Delinquent Payments.**

(a) Lessee shall pay the Rent set forth on the Payment Schedule commencing on the Rent Commencement Date and, unless otherwise set forth on the Payment Schedule, on the same day of each payment period thereafter for the balance of the Term. Rent shall be due whether or not Lessee has received any notice that such payments are due. All Rent shall be paid to Lessor at **PO Box 749642, Los Angeles, CA 90074**, or as otherwise directed by Lessor in writing.

(b) If Lessee fails to pay any Rent or other sums due under the Lease on or before the date when the same becomes due, Lessee shall pay interest on such delinquent payment from the due date until paid at the lesser of eighteen percent (18.00%) per annum or the maximum permitted by law.

(c) It is the intent of the parties that Lessee's obligation to pay Rent under this Lease shall constitute a current expense of Lessee and not a debt of Lessee in violation of any legal obligation regarding Lessee's creation of debt. Further, no obligation of Lessee under this Lease shall constitute the pledge of the funds of Lessee, including tax revenues.

(d) Each Rent payment made under this Lease will include the payment of interest in such amounts as set forth separately in the Payment Schedule.

(e) Computation of interest under this Lease shall be based on an Actual/365.

5. **Nonappropriation and Renewal.** Lessee is only obligated to pay Rent under this Lease to the extent necessary funds have been lawfully budgeted for and appropriated for that purpose during each of Lessee's applicable budget years. If Lessee fails to budget and appropriate necessary funds to pay Rent beyond the Initial Term or then current Renewal Term ("Non-appropriation"), this Lease shall terminate at the end of the Initial Term or then current Renewal Term. Lessee agrees to provide Lessor notice of Non-appropriation at least sixty (60) days prior to the end of the Initial Term or then current Renewal Term, but failure to give such notice shall not extend the Term or otherwise constitute a default. Lessee agrees that if this Lease is terminated for Non-appropriation it will deliver the Equipment to Lessor at such place as Lessor shall identify within a reasonable distance of the location of the Equipment and Lessor shall then dispose of the Equipment according to the terms of this Lease. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which Rent payments may be made, including making provision for Rent payments in each proposed annual budget submitted for approval and to exhaust all available reviews and appeals in the event such funds are not appropriated in the budget. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds beyond the Initial Term or then current Renewal Term is solely within Lessee's discretion.
6. **Location; Inspection; Labels.** Equipment shall be delivered to the location specified in the Lease and shall not be removed therefrom, except as in its ordinary use, without Lessor's prior written consent, provided that if such consent is given, Lessee shall be responsible for and shall promptly pay all costs associated with such relocation. Lessor shall have the right to enter upon the premises where the Equipment is located and inspect the Equipment at any time.
7. **Non-Cancelable Lease.** TO THE EXTENT PERMITTED BY LAW, THIS LEASE CANNOT BE CANCELLED OR TERMINATED EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, INCLUDING FOR NONAPPROPRIATION. LESSEE'S OBLIGATION TO PAY RENT AND PERFORM ITS OBLIGATIONS UNDER THIS LEASE ARE ABSOLUTE, IRREVOCABLE AND UNCONDITIONAL AND SHALL NOT BE SUBJECT TO ANY RIGHT OF SETOFF, COUNTERCLAIM, DEDUCTION, DEFENSE OR OTHER RIGHT WHICH LESSEE MAY HAVE AGAINST THE SUPPLIER, LESSOR OR ANY OTHER PARTY; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL PRECLUDE LESSEE FROM ASSERTING ANY SUCH CLAIMS AGAINST THE SUPPLIER IN A SEPARATE LAWSUIT. LESSEE UNDERSTANDS AND AGREES THAT NEITHER THE SUPPLIER NOR ANY SALES REPRESENTATIVE OR OTHER AGENT OF THE SUPPLIER IS AN AGENT OF LESSOR OR IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THE LEASE, AND NO SUCH WAIVER OR ALTERATION SHALL VARY THE TERMS OF THIS LEASE. LESSOR IS NEITHER A SUPPLIER NOR A LICENSOR, AND LESSOR IS NOT RESPONSIBLE FOR REPAIRS, SERVICE OR DEFECTS IN EQUIPMENT. LESSEE AGREES NOT TO ASSERT ANY SUCH CLAIMS OR DEFENSES AGAINST LESSOR FOR REPAIRS, SERVICE OR DEFECTS IN

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EQUIPMENT AND UNDERSTANDS THAT IT MAY DO SO AGAINST THE SUPPLIER OF EQUIPMENT OR SERVICES OR LICENSOR OF SOFTWARE.

8. Use; Alterations.

(a) Lessee shall use Equipment solely for the purpose of performing essential government functions of Lessee within the scope of Lessee's authority and only in the manner for which it was designed and intended. Lessee shall comply with all applicable laws. Lessee shall immediately notify Lessor, in writing, of any existing or threatened investigation, claim or action by any governmental authority that could adversely affect the Equipment, the Lessor or the Lease. Lessee, at its own expense, shall make such alterations, additions or modifications (each, a "Required Alteration") to Equipment as may be required from time to time to meet the requirements of applicable law or a governmental body. All such Required Alterations shall immediately, and without further act, be deemed to constitute "Equipment" and be fully subject to the Lease as if originally leased hereunder. Except as otherwise permitted herein, Lessee shall not make any alterations to Equipment without Lessor's prior written consent.

(b) Lessee, at its own expense, may from time to time add or install upgrades, accessories, additions or attachments (each an "Upgrade") to Equipment during the Term; provided, that such Upgrades (i) are readily removable without causing material damage to the Equipment, (ii) do not materially adversely affect the value, productive capacity, utility or remaining useful life of the Equipment and (iii) do not cause the Equipment to become "limited use property" within the meaning of Revenue Procedure 2001-28, 2001-19 I.R.B. 1156 (or such other successor tax provision), as of the date of installation of such Upgrade. Any such Upgrades that can be removed without adversely affecting the value, productive capacity, utility or remaining useful life of the Equipment shall remain the property of Lessee, and upon the Equipment's return to Lessor in the event it is not purchased by Lessee, Lessee may, at its option, remove any such Upgrades and, upon such removal, shall restore the Equipment to the condition required hereunder. Upgrades which are not removed prior to the Equipment's return to Lessor shall, upon their delivery to Lessor, become the property of the Lessor, constitute Equipment and be fully subject to this Lease as if originally leased hereunder.

9. Repairs and Maintenance. Lessee, at Lessee's own cost and expense, shall at all times maintain the Equipment in good repair, good operating condition, appearance and working order at all times in compliance with the manufacturer's or Supplier's recommendations and all maintenance and operating manuals or service agreements.

10. Return of Equipment.

(a) Unless Lessee has properly exercised its option to purchase the Equipment pursuant to this Section, Lessee shall at its sole expense, upon the expiration or earlier termination of this Lease pursuant to its terms, de-install, assemble, pack (under the supervision of persons acceptable to Lessor), including labeling of all components and hardware, and return all, and not less than all, of the Equipment to Lessor by delivering the Equipment to such location or such carrier as Lessor shall specify within a reasonable distance from the general location of the Equipment. Lessee shall be responsible for erasing or removing any private personal, medical or financial information from any data storage or like devices on the Equipment. Lessee agrees that (a) Equipment, when returned, shall be in the condition required by the Lease, which shall at a minimum require that Equipment be in complete and operational condition with no missing or damaged components or parts such that it is capable of performing its originally intended use, and (b) upon Lessor's request, Lessee will obtain from the Supplier (or other maintenance service provider previously approved by Lessor or Supplier) a certificate stating that such Equipment qualifies for full maintenance service at the standard rates and terms then in effect.

(b) Upon payment to Lessor of all Rent, and all other amounts due under this Lease, and assuming no Default is currently outstanding, Lessee shall on the final Rent Payment Date, shall be deemed to own the Equipment outright and any lien, security interest or encumbrance on the

Equipment created by or arising through or under Lessor shall be deemed to terminated, and all right, title and interest of Lessor in the Equipment shall be deemed conveyed to Lessee "as is."

11. Sublease and Assignment.

(a) **LESSEE SHALL NOT, WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, (i) SELL, ASSIGN, TRANSFER, PLEDGE, ENCUMBER OR OTHERWISE DISPOSE OF THE LEASE, EQUIPMENT OR ANY INTEREST THEREIN, (ii) RENT, SUBLET OR LEND EQUIPMENT TO ANYONE INCLUDING LESSEE'S AFFILIATES, OR (iii) PERMIT EQUIPMENT TO BE USED BY ANYONE OTHER THAN LESSEE'S QUALIFIED EMPLOYEES.**

(b) Lessor, at any time with or without notice to Lessee, may sell, transfer, assign and/or grant a security interest in all or any part of Lessor's interest in this Lease or the Equipment (each, a "Lessor Transfer"). In the event of a Lessor Transfer, any purchaser, transferee, assignee or secured party (each a "Lessor Assignee") shall have and may exercise all of Lessor's rights hereunder with respect to the items to which any such Lessor Transfer relates, and **LESSEE SHALL NOT ASSERT AGAINST ANY SUCH LESSOR ASSIGNEE ANY DEFENSE, COUNTERCLAIM OR OFFSET THAT LESSEE MAY HAVE AGAINST LESSOR.** The Lessor Assignee should not be bound by, or otherwise required to perform any of Lessor's obligations under the Lease, unless expressly assumed by such Lessor Assignee. Lessee agrees that upon written notice to Lessee of any Lessor Transfer, Lessee shall acknowledge receipt thereof in writing and shall comply with the directions and demands of any Lessor Assignee made according to this Lease, including paying Rent to the Lessor Assignee. Lessee will provide reasonable assistance to Lessor to complete any transaction contemplated by this subsection (b). Notwithstanding the foregoing, no assignment shall be effective until (i) Lessee has received written notice, signed by the assignor and identifying the name and address of the Lessor Assignee and (ii) the assignment has been registered in the books of the Lessor Assignee. Lessee agrees to retain all notices of assignment as a register of all assignments in form necessary to comply with the Internal Revenue Code of 1986, Section 149(a), as amended and regulations thereunder and agrees to make payments according to the register.

(c) The Lease Documents shall inure to the benefit of, and are binding upon, the successors and permitted assigns of the parties thereto.

12. Insurance.

(a) In addition to complying with the terms and conditions contained in the applicable Insurance Requirements notice, which is incorporated by this reference, Lessee shall, at all times and at Lessee's own cost and expense, maintain (i) insurance against all risks of physical loss or damage to Equipment for the greater of (a) the full replacement value, (b) the outstanding principal amount under this Lease, or (c) the actual cash value thereof, and (ii) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage per occurrence in an amount as stated in the Insurance Requirements notice, and (iii) other insurance against other risks of loss customarily maintained by Lessee or otherwise required by Lessor and with such terms as shall be reasonably satisfactory to, or reasonably required by, Lessor. Notwithstanding the foregoing, Lessee may self-insure against such risks with Lessor's prior written approval.

(b) All insurance policies required hereunder shall include terms, and be with insurance carriers, reasonably satisfactory to Lessor. Lessee shall deliver to Lessor certificates or other proof of insurance satisfactory to Lessor evidencing the coverage required by this section and listing Lessor as a loss payee and additional insured and providing for Lessor to receive no fewer than thirty (30) days' notice of cancellation. If Lessee fails to maintain any insurance policies required herein, then in addition to any other rights and remedies of Lessor hereunder, Lessor shall have the option (but not the obligation) to pay the premiums on any such policies or to obtain new

insurance under terms satisfactory to Lessor, and any amounts paid by Lessor pursuant thereto shall be immediately due and payable by Lessee upon demand.

- 13. Risk of Loss; Casualty.** Lessee assumes, and shall at all times bear the entire risk of, any loss, theft, damage to, or destruction of any Equipment from any cause whatsoever, to the extent covered by the proceeds of insurance, from the time such Equipment is shipped to Lessee until its return to Lessor or other disposition at the end of the Lease. Lessee shall promptly notify Lessor in writing if any Equipment shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever (each a "Casualty Occurrence"). In the event of a Casualty Occurrence, at Lessee's option, Lessee shall within thirty (30) days of such Casualty Occurrence, (i) place such Equipment in good condition and repair, in accordance with the terms hereof; or (ii) pay Lessor the sum of (A) the outstanding principal component of Rent as of payment date, and (B) all other amounts which are due hereunder, including interest accruing to such payment date. If elected by Lessor and upon payment of all sums due under Section 13(ii) with respect to such Equipment, the obligation of Lessee to pay Rent and the term of this Lease with respect to such Equipment shall terminate. Following payment of all sums due under Section 13(ii) with respect to such Equipment, and if no Default has occurred and remains continuing, Lessor will then (a) transfer to Lessee the Lessor's rights to such Equipment "AS IS, WHERE IS" and with all defects, without recourse and WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, other than a warranty that the Equipment is free and clear of any liens created by or through Lessor; and (b) remit to Lessee any physical damage insurance proceeds received by Lessor arising out of such loss.
- 14. Taxes.** Lessee shall use the Equipment for the purpose of performing essential government functions of Lessee within the scope of Lessee's authority. Lessee shall timely report, pay and discharge all sales, use, property and other taxes, if any, now or hereafter imposed by any taxing authority upon the Equipment based upon the ownership, leasing, renting, sale, possession or use thereof, whether the same be assessed to Lessor or Lessee, together with any penalties or interest in connection therewith, and to the extent permitted by law will indemnify and hold Lessor harmless therefrom. Lessee's obligations under this Section shall be limited to such taxes as accrue during the Initial Term or then current Renewal Term. Lessee shall submit written evidence of the payment of such taxes at Lessor's request.
- 15. Lessor's Right to Perform for Lessee.** If Lessee fails to perform any of its obligations contained herein, Lessor may (but shall not be obligated to) itself perform such obligations, and the amount of the reasonable costs and expenses of Lessor incurred in connection with such performance, together with interest on such amount at the lesser of eighteen percent (18.00%) per annum or the maximum permitted by law, shall be payable by Lessee to Lessor upon demand. No such performance by Lessor shall be deemed a waiver of any rights or remedies of Lessor or be deemed to cure the default of Lessee hereunder.
- 16. Personal Property; Liens.** Lessee represents and warrants that the Equipment is, and shall at all times remain fully removable personal property notwithstanding any affixation or attachment to real property or improvements. Lessee shall at all times keep Equipment free and clear from all liens. Lessee shall (a) give Lessor immediate written notice of any such lien, (b) promptly, at Lessee's sole cost and expense, take such action as may be necessary to discharge any such lien, and (c) to the extent permitted by law, indemnify and hold Lessor, on an after-tax basis, harmless from and against any loss or damage caused by any such lien.
- 17. Default; Remedies.**
(a) As used herein, the term "Default" means any of the following events: (i) Lessee fails to pay any Rent or other amount due under the Lease within ten (10) days after the same shall have become due; (ii) Lessee becomes insolvent or makes an assignment for the benefit of its creditors; (iii) a receiver, trustee, conservator or liquidator of Lessee of all or

a substantial part of Lessee's assets is appointed with or without the application or consent of Lessee; (iv) a petition is filed by or against Lessee under any bankruptcy, insolvency or similar proceeding; (v) Lessee fails to perform or violates any provision of the Lease, or any covenant therein or any warranty or representation made by Lessee therein proves to have been false or misleading when made; or (vi) any filing by Lessee of a termination statement for any financing statement filed by Lessor while any obligations are owed by Lessee under a Lease. Lessee shall immediately notify Lessor of the occurrence of any Default.

(b) Upon the occurrence of a Default, Lessor may do one or more of the following as Lessor in its sole discretion shall elect: (i) proceed by appropriate court action to enforce specifically Lessee's performance by Lessee of the Lease or to recover damages for the breach thereof; (ii) cause Lessee, at its expense, promptly to assemble Equipment and return the same to Lessor at such place as Lessor may designate in writing in compliance with all return provisions in this Lease; (iii) by notice in writing to Lessee, cancel or terminate the Lease, without prejudice to any other remedies hereunder; (iv) enter upon the premises of Lessee or other premises where any Equipment may be located and, without notice to Lessee and with or without legal process, take possession of and remove (or disable in place) all or any such Equipment without liability to Lessor by reason of such entry or taking possession, and without such action constituting a cancellation or termination of the Lease unless Lessor notifies Lessee in writing to such effect; (v) sell, re-lease or otherwise dispose of any or all of the Equipment at public or private sale; and (vi) exercise any other right or remedy available to Lessor under applicable law. In addition, Lessee shall be liable for all reasonable costs, expenses, and legal fees incurred in enforcing Lessor's rights under the Lease, before or in connection with litigation or arbitration, including all reasonable attorneys' fees incurred at trial, on appeal and in any bankruptcy or arbitration proceeding, and for any deficiency in the disposition of the Equipment. Lessor's recovery hereunder shall in no event exceed the maximum recovery permitted by law.

(c) If a Default occurs, Lessee hereby agrees that ten (10) days' prior notice to Lessee of any public sale or of the time after which a private sale may be negotiated shall be conclusively deemed reasonable notice. None of Lessor's rights or remedies hereunder are intended to be exclusive, but each shall be cumulative and in addition to any other right or remedy referred to hereunder or otherwise available to Lessor at law or in equity, and no express or implied waiver by Lessor of any Default shall constitute a waiver of any other Default or a waiver of any of Lessor's rights.

(d) With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or any other collateral securing Lessee's obligations under any Lease, Lessee acknowledges and agrees that Lessor may dispose of Equipment on an "AS IS, WHERE IS" basis, in compliance with applicable law and with such preparation (if any) as Lessor determines to be commercially reasonable.

18. Notices. All notices and other communications hereunder shall be in writing and shall be sent by overnight courier or certified mail (return receipt requested), US postage prepaid, or hand delivered. Such notices and other communications shall be addressed to the respective party at the address set forth above or at such other address as any party may, from time to time, designate by notice duly given in accordance with this section. Such notices and other communications shall be effective upon the earlier of receipt by the party or three (3) days after mailing if mailed in accordance with the terms of this section.

19. Indemnity. To the extent permitted by law, Lessee shall indemnify and hold Lessor harmless from and against any and all liabilities, causes of action, claims, suits, penalties, damages, losses, costs or expenses (including reasonable attorneys' fees, whether or not there is a lawsuit, and including those incurred at trial, on appeal and in any bankruptcy or arbitration proceeding),

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obligations, liabilities, demands and judgments (collectively, a "Liability") arising out of or in any way related to: (a) Lessee's failure to perform any covenant or Lessee's breach of any representation or warranty under the Lease Documents, (b) the order, manufacture, purchase, ownership, selection, acceptance, rejection, possession, rental, sublease, operation, use, maintenance, loss, damage, destruction, removal, storage, sale, condition, delivery, return or other disposition of or any other matter relating to any Equipment; (c) any and all Liabilities in any way relating to or arising out of injury to persons, property or the environment relating to any Equipment or the Lease Documents; and (d) any and all Liabilities based on strict liability in tort, negligence, breach of warranties or violations of any regulatory law or requirement.

20. Fees and Expenses. To the extent permitted by law, Lessee shall pay or reimburse Lessor amounts incurred during the Initial Term or then current Renewal Term for: (i) all UCC filing and search fees and expenses incurred by Lessor in connection with the verification, perfection or preservation of Lessor's rights hereunder or in the Equipment; (ii) any and all stamp, transfer and documentation taxes and fees payable or determined to be payable in connection with the execution, delivery and/or recording of the Lease Documents; and (iii) all fees and out-of-pocket expenses (including, but not limited to, reasonable attorneys' and other professional fees and expenses) incurred by Lessor in connection with the preparation, execution, administration, waiver or amendment of the Lease Documents or the collection of any sum payable under any of the Lease Documents not paid when due, and the enforcement of any of the Lease Documents. Lessee shall be responsible for payment on the Funding Date to Lessor a facility fee of 0.1% of the principal component of the Lease and a \$10.00 vehicle titling fee.

21. Financial and Other Data. During the Term, Lessee shall provide Lessor with audited annual financial statements prepared by an independent Certified Public Accountant, when they become available but in no event within 270 days of the close of its fiscal year. Lessee, during the Term hereof, shall also furnish Lessor its annual budget upon approval and such other financial information as Lessor may from time-to-time reasonably request. All such information shall be prepared in accordance with generally accepted accounting principles, applied on a consistent basis, and certified by Lessee to be true and correct.

22. Representations and Warranties of Lessee. Lessee represents and warrants that (a) Lessee is a municipal corporation organized and existing under the constitution and laws of the state where it is located, with the power and authority thereunder to enter into this Lease and assume and perform the obligations stated herein, and Lessee will take all actions necessary to preserve such existence, power, and authority; (b) Lessee has been duly authorized to execute and deliver the Lease Documents by proper action of its governing body and all other proceedings of Lessee relating to the transaction contemplated by this Lease have been performed according to all applicable local, state and federal laws; (c) Lessee covenants that it will use 95% or more of the proceeds of this Lease as soon as practicable for the purposes stated in this Lease - to wit, performance of essential local government functions of Lessee - and that no part of the proceeds shall be invested at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated when this Lease was entered into, would have resulted in classification of this Lease in any amount as an "arbitrage bond" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code") and regulations thereunder; (d) Lessee designates this as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code and Lessee reasonably anticipates to issue qualified tax-exempt obligations during the budget year of the Funding Date in an amount not exceeding \$10,000,000; (e) this Lease is not a private activity bond as defined in Section 141 of the Code; (f) the remaining useful life of the Equipment is less than 120% of the Term of this Lease; (g) Lessee is a state or political subdivision with taxing power under the laws of the state where it is located; (h) the Lease Documents when entered into will constitute legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their terms; (i) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 148, and all applicable Treasury Department regulations, in order to maintain the excludability of the interest component of Rent payments

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from federal income taxation; (j) there are no actions or proceedings to which Lessee is a party, and there are no other threatened actions or proceedings of which Lessee has knowledge, before any governmental authority which, either individually or in the aggregate, would adversely affect the financial condition of Lessee or the ability of Lessee to perform its obligations hereunder; and (k) the financial statements of Lessee (copies of which have been furnished to Lessor) have been prepared in accordance with generally accepted accounting principles, consistently applied, and fairly present Lessee's financial condition as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in its financial condition or operations. Lessee shall cause to be executed as a requirement of this Lease an opinion of counsel in substantially the form attached hereto as Exhibit E and incorporated by this reference.

- 23. Title.** As of the Acceptance Date, Lessee shall have title to the Equipment during the Term of this Lease; however, Lessor shall have the right to immediately assume title to the Equipment and Lessee shall immediately surrender possession of the Equipment to Lessor (i) upon the occurrence of a Default and for so long as such Default is continuing, or (ii) upon termination of this Lease if Lessee does not exercise its option to purchase the Equipment.
- 24. Security Interest.** Lessee hereby grants to Lessor a purchase money security interest in the Equipment (including any replacements, substitutions, additions, attachments) and all proceeds of the foregoing to secure the prompt payment and performance as and when due of all indebtedness and obligations of Lessee, now existing or hereafter created, to Lessor pursuant to this Lease. Lessee authorizes Lessor to file financing statements, including any amendments and continuation statements, to protect or perfect Lessor's interest in the Equipment, and Lessor shall have all of the rights and benefits of a secured party under the UCC as in effect from time to time hereafter in the state in which the Equipment is located or any other state with jurisdiction over the Equipment. Lessee hereby ratifies, to the extent permitted by law, all that Lessor shall lawfully and in good faith do or cause to be done by reason of and in compliance with this section. Lessee agrees not to file any corrective or termination statements or partial releases with respect to any UCC financing statements filed by Lessor pursuant to this Lease.
- 25. Governing Law.** THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE EQUIPMENT IS LOCATED, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAWS.
- 26. Quiet Enjoyment.** So long as no Default has occurred and is continuing, Lessee shall peaceably hold and quietly enjoy the Equipment without interruption by Lessor or any person or entity claiming through Lessor.
- 27. Evidence of Filing Form 8038-G.** As soon as it is available, Lessee shall provide to Lessor evidence that it has filed the Form 8038-G for this Lease with the Internal Revenue Service by delivering to Lessor proof of mailing such Form 8038-G. Notwithstanding anything to the contrary in this Agreement, it shall not be an Event of Default hereunder if Lessee does not provide to Lessor evidence that it filed the Form 8038-G for this Lease with the Internal Revenue Service.
- 28. Entire Agreement.** This Lease, together with all other Lease Documents, constitutes the entire understanding or agreement between Lessor and Lessee with respect to the Equipment covered thereby, and there is no understanding or agreement, oral or written, which is not set forth herein or therein. No Lease Document may be amended except by a writing signed by Lessor and Lessee.
- 29. Disclaimer of Warranties.** LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL OR

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WORKMANSHIP IN, EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE EQUIPMENT IS LEASED TO LESSEE "AS IS, WHERE IS." LESSEE HAS MADE THE SELECTION OF THE EQUIPMENT FROM THE SUPPLIER BASED ON ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS ANY RELIANCE ON ANY STATEMENTS OR REPRESENTATIONS MADE BY LESSOR. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES. LESSOR HEREBY ASSIGNS ANY WARRANTY BY THE SUPPLIER TO LESSEE FOR THE TERM OF EACH LEASE WITHOUT RECOURSE.

30. Execution in Counterparts. This Lease and all other Lease Documents may be executed in several counterparts, each of which when so executed or otherwise authenticated and delivered shall be an original, but all such counterparts shall together consist of one and the same instrument; provided, however, that to the extent that this Lease constitutes chattel paper under the UCC, no security interest may be created by the transfer or possession of any counterpart other than the original thereof, which shall be identified as a document or record (as applicable) marked "Original".

31. Miscellaneous. Time is of the essence with respect to this Lease. Any failure of Lessor to require strict performance by Lessee shall not be construed as a consent or waiver of any provision of such Lease. Any provision of this Lease that is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof. Captions are intended for convenience or reference only, and shall not be construed to define, limit or describe the scope or intent of any provisions hereof.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the day and year first above written.

Lessor:

Lessee:

Financial Pacific Leasing, Inc. DBA Umpqua Bank
Equipment Leasing & Finance

By: _____

By: **X** _____

Print Name: _____

Print Name:

Title: _____

Title:

Attachments

Exhibit A – Equipment Schedule
Exhibit B – Payment Schedule
Exhibit C – Form of Certificate of Acceptance
Exhibit D – Form of Funding Request
Exhibit E – Form of Lessee Counsel Opinion

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Exhibit A

**MUNICIPAL LEASE-PURCHASE AGREEMENT
EQUIPMENT SCHEDULE
[Lease # []]**

EQUIPMENT DESCRIPTION

Lessor: Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance

Lessee:

Lease: Equipment Schedule to Municipal Lease-Purchase Agreement [Lease # []], dated as of

<u>QTY</u>	<u>Serial #</u>	<u>Description</u>	<u>Purchase Price</u>
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and all other equipment related thereto, including replacements, additions, attachments, substitutions, modifications, upgrades, and improvements thereto (collectively the "Equipment").

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Exhibit B

**MUNICIPAL LEASE-PURCHASE AGREEMENT
PAYMENT SCHEDULE
[Lease # []]**

Lessor: Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance

Lessee:

Lease: Equipment Schedule to Municipal Lease-Purchase Agreement [Lease # []], dated as of

<u>Date</u>	<u>Total Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Option to Purchase</u>
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Lessee:

By: **X** _____

Print Name:

Title:

Date: _____

Lessor: Financial Pacific Leasing, Inc., DBA Umpqua Bank Equipment Leasing & Finance

By: _____

Print Name: _____

Title: _____

Date: _____

THIS DOCUMENT MAY BE SIGNED IN COUNTERPARTS AND TRANSMITTED ELECTRONICALLY WITH THE SAME FORCE AND EFFECT AS DELIVERY OF AN ORIGINAL.

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Exhibit C - Form of Certificate of Acceptance

CERTIFICATE OF ACCEPTANCE

[Lease # []]

TO: Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance

3455 South 344th Way Suite 300

Federal Way, WA 98001

Pursuant to the Municipal Lease-Purchase Agreement [Lease # []], dated as of (the "Lease") between Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance (the "Lessor") and the undersigned (the "Lessee"), the equipment described on the Equipment Schedule (the "Equipment") has been delivered to the location set forth in such Equipment Schedule, has been tested and inspected by Lessee, and has been found to be in good repair and working order. Lessee authorizes Lessor to pay the purchase price for the Equipment to the Supplier (as defined in the Lease).

The Equipment has been accepted and placed in service by Lessee for all purposes under the Municipal Lease-Purchase Agreement [Lease # []] on (the "Acceptance Date").

The execution of this Certificate of Acceptance by Lessee shall not be construed, in any way, to relieve or to waive the obligations of any manufacturer or supplier for any warranties with respect to the Equipment.

This Certificate of Acceptance applicable to the Equipment Schedule shall constitute a part of the Lease.

IN WITNESS WHEREOF Lessee, by its duly authorized officer or agent, has duly executed and delivered this Certificate of Acceptance.

Lessee:

By: **X** _____

Print Name:

Title:

Date: _____

UBELFCOA-MUNI-022217A

Financial Pacific Leasing, Inc., doing business as Umpqua Bank Equipment Leasing & Finance, is a subsidiary of Umpqua Bank.
Products offered by Financial Pacific Leasing, Inc., are not FDIC insured.

Exhibit D - Form of Funding Request

FUNDING REQUEST

[Lease # []]

Financial Pacific Leasing, Inc., DBA
Umpqua Bank Equipment Leasing & Finance
3455 South 344th Way Suite 300
Federal Way, WA 98001

Re: Municipal Lease-Purchase Agreement [Lease # []], dated as of _____, 20____ (the "Lease"),
between **Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance**,
as LESSOR and _____ as LESSEE.

Dear Sir or Madam,

Pursuant to the above-reference Lease, we hereby notify and authorize Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance to issue payment in the amount of _____ to _____ for Invoice Number _____ as reflected in the attached Schedule A.

The requested Funding Date is _____, 2023. The actual Funding Date shall be the actual date of funding by Lessor.

Lessee is provided with this Funding Request the following required items for funding:

1. Executed Form 8038-G executed by Lessee and to be filed by Lessee.
2. Acceptance Certificate for the Lease, executed by Lessee.
3. Evidence of the placement of the lien of Lessor on the vehicle title for the Equipment.
4. Evidence of Lessee currently maintaining insurance pursuant to Section 12 of the Lease.

Lessee agrees and understands that interest will commence accruing on the Lease on the actual Funding Date.

Lessee represents and warrants as follows:

- A. Lessee hereby reaffirms that the representations, warranties and covenants contained in the Lease are true and correct as of the date hereof.
- B. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default exists at the date hereof.
- C. Lessee has appropriated all of the Rental Payments for the Initial Term of the Lease.
- D. No Nonappropriation has occurred or been threatened with respect to the Lease.

Capitalized terms used, but not defined, in this Funding Request shall have the same meanings as when such terms are used in the Lease.

UBELF-FR-MUNI-022217A

Financial Pacific Leasing, Inc., doing business as Umpqua Bank Equipment Leasing & Finance, is a subsidiary of Umpqua Bank.
Products offered by Financial Pacific Leasing, Inc., are not FDIC insured.

|

Lessee:

By: **X** _____

Print Name:

Title:

Date: _____

DRAFT

UBELF-FR-MUNI-022217A

Financial Pacific Leasing, Inc., doing business as Umpqua Bank Equipment Leasing & Finance, is a subsidiary of Umpqua Bank.
Products offered by Financial Pacific Leasing, Inc., are not FDIC insured.

Exhibit E

Form of Lessee Counsel Opinion

Financial Pacific Leasing, Inc.
DBA Umpqua Bank Equipment Leasing & Finance
3455 South 344th Way Suite 300
Federal Way, WA 98001

Date:

Re: Municipal Lease-Purchase Agreement [Lease # []], dated as of [], 20 [], between **Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance**, as LESSOR and [] as LESSEE.

Ladies and Gentleman:

As legal counsel for [], (the "LESSEE"), I have examined (1) an executed counterpart of a certain Municipal Lease-Purchase Agreement [Lease # []], including the Exhibits attached thereto or forms of Exhibits attached thereto, (the "Agreement") dated [], 20 [], by and between **Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance**, as LESSOR, and [] as LESSEE, which among other things, provides for an option to purchase by the LESSEE of certain property (the "Equipment"), (2) an executed counterpart of the resolution of LESSEE which, among other things, authorizes LESSEE to execute the Agreement and (3) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

- (1) LESSEE is a public body corporate and politic, duly organized and existing under laws of the State of [], and has a substantial amount of one or more of the following powers: (a) the power to tax (b) the power to eminent domain and (c) the police power;
- (2) LESSEE has the requisite power and authority to lease with an option to purchase the Equipment and to execute, deliver the Municipal Lease-Purchase Agreement and perform its obligations under the Municipal Lease-Purchase Agreement;
- (3) The Municipal Lease-Purchase Agreement and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of LESSEE and the Municipal Lease-Purchase Agreement is a valid and binding obligation of LESSEE enforceable in accordance with its terms;
- (4) The authorization, approval and execution of the Municipal Lease-Purchase Agreement and all other proceedings of LESSEE relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state or federal laws;
- (5) There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Agreement or the security interest of LESSOR or its assigns, as the case may be, in the Equipment.
- (6) LESSOR, its successors and assigns, and any counsel rendering an opinion on the tax-exempt status of the interest component of Rental Payments are entitled to rely on this opinion.

UBELF-CO-MUNI-02-23-17A

Financial Pacific Leasing, Inc., doing business as Umpqua Bank Equipment Leasing & Finance, is a subsidiary of Umpqua Bank. Products offered by Financial Pacific Leasing, Inc., are not FDIC insured.

Cordially,

By: **X** _____

Print Name: _____

Address: _____

Telephone Number: _____

DRAFT

UBELF-CO-MUNI-02-23-17A

Financial Pacific Leasing, Inc., doing business as Umpqua Bank Equipment Leasing & Finance, is a subsidiary of Umpqua Bank.
Products offered by Financial Pacific Leasing, Inc., are not FDIC insured.

AUDITORIUM/AMBASSADOR FOR HOPE CHRISTMAS CONCERT



Jaci Adams <jacia@priceutah.net>

Fwd: AFH Christmas Concert

1 message

Layne Miller <laynem@priceutah.net>

Wed, Nov 1, 2023 at 11:22 AM

To: Mayor & Council <Mayor&Council@priceutah.net>

Wendy is requesting free use of the auditorium for a Christmas concert for the choirs she has been doing in the audition since school started. Things have gone very well and I trust her to take care of things without an employer there.
Layne

----- Forwarded message -----

From: **Wendy Grant** <welovemusic8@me.com>

Date: Wed, Nov 1, 2023, 11:18 AM

Subject: AFH Christmas Concert

To: <LayneM@priceutah.net>

To Layne Miller,

I would like to request the use of the Civic Auditorium for a Christmas Concert for the Ambassador For Hope children's choir. I will have my own Sound Tech to run the sound board. Everything I need for the concert is already on the stage and will be an easy set up and take down.
Thank you for your consideration.

December 4th, 2023

6:00-8:00 pm (Concert 6:30-7:30)

Thank you!

Wendy Grant

MINUTES

Minutes of the Price City Council Workshop
Conference Room 106
October 25, 2023 – 4:00 p.m.

Present:

Mayor Kourianos
Councilmembers:
Joe Christman
Rick Davis
Amy Knott-Jespersen
Layne Miller

Excused:

Councilmember Marsing, Nick Tatton, Community/Human Resources Director

Present: See Public Meeting Sign-In Sheet

Items discussed:

1. Safety Seconds/Councilmember Miller/Halloween-watch for kids while trick or treating in the dark and crossing the street.
2. Councilmember report: Christman
3. Councilmember report: Knott-Jespersen
4. Councilmember report: Miller
5. Councilmember report: Davis
6. Mayor's report

Adjourned: 5:25 p.m.

APPROVED:

Michael Kourianos, Mayor

ATTEST:

Jaci Adams, City Recorder

Minutes of the City Council Meeting
City Hall
Price, Utah
October 25, 2023

Present:

Mayor Kourianos

Councilmembers:

Joe Christman

Rick Davis

Amy Knott-Jespersen

Layne Miller

Jaci Adams, City Recorder

Brandon Sicilia, Police Chief

Excused: Councilmember Marsing, Nick Tatton, Community/Human Resources Director

Staff/Others: See Public Meeting Sign-In Sheet

1. PLEDGE OF ALLEGIANCE

Mayor Kourianos called the regular meeting to order at 5:38 p.m. Mayor Kourianos led the Pledge of Allegiance.

2. ROLL CALL

Roll was called with the above Councilmembers and staff in attendance.

3. SAFETY SECONDS

Councilmember Miller reminded everyone that kids will be out trick or treating for Halloween and to watch for them crossing streets, especially at night.

4. PUBLIC COMMENT

Wayne Jackson, Price resident, presented a list of concerns he has regarding speed signs, street lights, weeds, etc. throughout Price City.

5. GENERAL BUSINESS/DISCUSSION

a. PLANNING AND ZONING COMMISSION APPOINTMENTS. Consideration and possible approval of the reappointment of Jan Young, Todd Thorne and Judy Beacco to the Price City Planning and Zoning Commission.

The Mayor recommended this agenda item be tabled to the next meeting, November 8th, 2023.

MOTION.

Councilmember Davis moved to table the appointments of Jan Young, Todd Thorne and Judy Beacco to the November 8th, 2023 City Council meeting. Councilmember Miller seconded and the motion carried.

b. RESOLUTION NO. 2023-020. Consideration and possible approval of a Resolution Updating and Establishing a Job Description for Price Municipal Corporation Employees (Police Chief).

MOTION.

Councilmember Miller moved to approve a Resolution updating and establishing a job description for Price Municipal Corporation Employees (Police Chief). Councilmember Christman seconded and motion carried.

6. CONSENT AGENDA

MOTION.

Councilmember Christman moved to approve agenda items a. thru e. Commissioner Davis seconded and motion carried.

- a. MINUTES for 10-11-2023 City Council Workshop and City Council.
- b. APPROVAL/RATIFICATION. Consideration and possible final approval/ratification of the Interagency Agreement between Price City and Department of Workforce Services for the Community Development Block Grant for Purchase of Self-Contained Breathing Apparatus for the Price City Fire Department.
- c. HINKLEY CULTURE CONNECTION AGREEMENT. Consideration and possible approval of an Agreement Between Price City and Ted Hinkley Regarding Culture Connection Entertainment.
- d. CAREER LADDER. Consideration and possible approval of a career ladder promotion for Charles Cummins from Laborer, Grade 4, to Water, Sewer, Treatment Operator, Grade 8.
- e. BUSINESS LICENSES. Jade Owl Healing Essentials at 790 N Cedar Hills Dr for Tanica McArthur. Play to Live at 375 S Carbon Ave for Daphne Stockdale. Permanent Cosmetics Gabby LLC at 375 S Carbon Ave for Gabriela Olivas.

7. UNFINISHED BUSINESS

Mayor Kourianos informed everyone that the Price City Youth Council will be hosting a Halloween Spook Alley event Saturday, October 28, 2023 at the Price Peace Garden. Councilmember Christman highlighted concerns and issues with the crosswalk on Carbon Avenue near Mont Harmon that are currently being addressed and also increase public awareness to slow down through the school zones and crosswalks. Price City Police Chief, Brandon Sicilia stated that all school zones are and will be heavily enforced.

Mayor Kourianos asked for a motion to close the regular City Council meeting.

Councilmember Knott-Jespersen moved to close the regular City Council meeting. Councilmember seconded and motion carried.

The regular City Council meeting was adjourned at 5:50 p.m.

APPROVED:

ATTEST:

Michael Kourianos, Mayor

Jaci Adams, City Recorder

DRAFT



October 23, 2023

Price City
185 East Main Street
Price, Utah 84501

Honorable Mayor, City Council, and Management:

The following represents our understanding of the services we will provide Price City

You have requested that we audit the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Price City, as of June 30, 2023, and for the year then ended and the related notes, which collectively comprise Price City's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), *and in accordance with Government Auditing Standards*, will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Accounting principles generally accepted in the United States of America, (U.S. GAAP,) as promulgated by the Governmental Accounting Standards Board (GASB) require that Management's Discussion and Analysis, Schedule of Contributions related to pensions, and Schedule of Proportionate Share of the Net Pension Liability, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America, (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund.
- 3) Schedule of changes in the City's Net OPEB Liability and Related Ratios Post-Retirement Benefits Plan
- 4) Schedule of the Proportionate Share of Net Pension Liability.
- 5) Schedule of Contributions – Pensions.

Larson & Company
765 North Main, Spanish Fork, UT 84660
Main: (801) 798-3545 | www.larsco.com

Member of
CPAmerica
Member  Crowe Global

Supplementary information other than RSI will accompany Price City's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- 1) Combining and individual fund statements and schedules of nonmajor governmental Funds
- 2) Combining Statements of the Nonmajor Proprietary Funds

Auditor Responsibilities

We will conduct our audit in accordance with GAAS, and in accordance with Government Auditing Standards. As part of an audit in accordance with GAAS, and Government Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Price City's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS, and Government Auditing Standards.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

Compliance with Laws and Regulations

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Price City's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

(Continued)

Management Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

- a. For the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America.
- b. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements; and
- c. To provide us with:
 - i. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
 - ii. Additional information that we may request from management for the purpose of the audit;
 - iii. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 - iv. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
 - v. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- d. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by us;
- e. For identifying and ensuring that the entity complies with the laws and regulations applicable to its activities;
- f. For adjusting the basic financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the basic financial statements as a whole; and
- g. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
- h. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
- i. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on the financials; and
- j. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited basic financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management, written confirmation concerning representations made to us in connection with the audit.

(Continued)

Reporting

We will issue a written report upon completion of our audit of Price City's basic financial statements. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also issue written reports on internal control, and compliance upon completion of our audit. No opinion will be expressed in our reports on internal control, and compliance issued pursuant to Government Auditing Standards.

Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing.

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

We expect to begin our audit on approximately October 23, 2023 and to issue our reports no later than December 31, 2023. Jon Haderlie is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Larson & Company PC's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered every month and are payable upon presentation. We estimate that our fee for the audit will not exceed \$17,800. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Price City's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit. Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

(Continued)

In some circumstances, we may be required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for you. So long as we are not a party to the proceedings in which the information is sought, you agree to pay any and all reasonable expenses including fees and costs for our time, as well as any legal or other fees that we incur as a result of such appearance or production of documents.

Our firm may transmit confidential information that you provided us to third parties in order to facilitate delivering our services to you. We have obtained confidentially agreement with all our service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the work provided by any third-party service providers used under this agreement. By your signature below, you consent to having confidential information transmitted to entities outside the firm. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the basic financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to Members of the Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of Larson & Company PC and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Utah State Auditor's Office or its designee pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Larson & Company PC's personnel.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the basic financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

(Continued)

Respectfully,

LARSON & COMPANY, PC

Larson & Company PC

RESPONSE:

This letter correctly sets forth our understanding of Price City.

Acknowledged and agreed on behalf of Price City by:

Management Signature_____

Title: _____

Date: _____

Governance Signature_____

Title: _____

Date: _____

(Continued)

**RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:**

SAVAGE SERVICES CORPORATION
901 WEST LEGACY CENTER WAY
MIDVALE, UTAH 84047
ATTN: GENERAL COUNSEL

APN: 02-1808-0000 and 02-2210-0002

SUBORDINATION AND WAIVER OF SURFACE RIGHTS AGREEMENT

This Subordination and Waiver of Surface Rights Agreement (this “**Agreement**”) is by and between Price, a Municipal Corporation of the State of Utah (the “**Mineral Owner**”), the owner of an interest in all or a portion of the oil, gas, and other minerals in, under, and that may be produced from a portion of the property commonly known as Parcel Nos. 02-1808-0000 and 02-2210-0002 as more particularly described in Exhibit A attached hereto and made a part hereof (the “**Property**”), and Savage Services Corporation, a Utah Corporation, whose address is 901 West Legacy Center Way, Midvale, UT 84047 (the “**Savage**”), who is under contract to purchase fee title to the Property and has requested that Mineral Owner waive all right to use or enter on the surface of the Property in connection with the development of the oil, gas, and other minerals in and under the Property.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mineral Owner and Savage hereby agree as follows:

1. In conducting operations of whatever nature with respect to the exploration for, exploitation of mining and production, processing, prospecting, transporting, and marketing of or for oil, gas, and/or other minerals from the Property or in connection with the conduct of other activities associated with the ownership of the oil, gas, and mineral interests in the Property, Mineral Owner agrees not to use, disturb, enter on, or occupy any portion of the surface of the Property and not to place any fixtures, equipment, buildings, or structures on the Property; provided, however, that subject to the foregoing, nothing in this Agreement shall be construed as waiving, releasing, or relinquishing any right, title, or interest of Mineral Owner in and to the oil, gas and other minerals in and under and that may be produced from the Property. Additionally, this subordination and waiver of surface rights shall not be construed as a waiver of the right of Mineral Owner to exploit, explore for, develop, mine, or produce oil, gas and/or other minerals with wells drilled on the surface of lands other than the Property, including, but not limited to, directional wells bottomed beneath the Property (or by pooling the oil, gas, and mineral interests in the Property with land adjoining the Property in accordance with the laws and regulations of the State of Utah, so long as any such activities take place at a depth of at least five hundred feet (500’) below the surface of the Property.

2. Mineral Owner acquired its interest in the oil, gas/and or other minerals in, under and that may be produced from the Property (the “**Mineral Rights Interests**”) pursuant to that certain Quit Claim Deed dated August 10, 1953 and recorded in the official records of Carbon County, Utah on October 5, 1953 as Entry No. 68480 and that certain Quit-Claim Deed dated December 27, 1954 and recorded in the official records of Carbon County, Utah on December 30, 1954 as Entry No. 72092.

3. To Mineral Owner’s knowledge, (i) there are no liens or other encumbrances of any nature affecting or encumbering the Mineral Rights Interests; (ii) Mineral Owner has not assigned, transferred, or otherwise hypothecated all or any portion of the Mineral Rights Interests; and (iii) there are no leases of any nature in effect with respect to the Mineral Rights Interests.

4. If Mineral Owner is not a natural person, the individual(s) signing this Agreement on behalf of Mineral Owner represents and warrants that he/she has the power and authority to execute this Agreement on behalf of Mineral Owner, and that no further action, resolution, consent or approval from Mineral Owner is required to bind Mineral Owner to this Agreement.

5. This Agreement shall be binding on Mineral Owner and Savage and their respective heirs, legal representatives, successors and assigns. This Agreement shall run with the land and be binding upon any successor acquiring any interest in the Mineral Rights Interests.

6. Mineral Owner acknowledges that at the time of signing this Agreement, Savage has not yet acquired the Property and that this Agreement shall become effective at such time as Savage closes on the purchase of the Property. Savage may record this Agreement in the official records of Carbon County, Utah immediately following the deed conveying the Property to Savage.

7. Mineral Owner and Savage agree to execute any further documents reasonably necessary or desirable to effectuate the intent to subordinate and waive the surface rights of Mineral Owner in the manner and according to the terms set out in this Agreement.

[Signature Page(s) Follow]

The Subordination and Waiver of Surface Rights Agreement is executed by Savage as of the date of acknowledgement of its signature below.

SAVAGE

SAVAGE SERVICES CORPORATION, a Utah
corporation

By: _____

Name: _____

Title: _____

STATE OF _____)

) SS.

County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20__ by _____, the _____ of Savage Services Corporation.

WITNESS my official hand and seal.

Notary Public

The Subordination and Waiver of Surface Rights Agreement is executed by Savage as of the date of acknowledgement of its signature below.

MINERAL OWNER

PRICE, a Municipal Corporation of the State of
Utah

By: _____
Name: _____
Title: _____

STATE OF _____)
) SS.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____,
20__ by _____, the _____ of Price.

WITNESS my official hand and seal.

Notary Public

EXHIBIT "A"
LEGAL DESCRIPTION

Parcel 1:

Section 2: Township 15 South, Range 10 East, Salt Lake Base and Meridian:
the West one half of the Northwest Quarter and
the Southeast Quarter of the Northwest Quarter and
the Southwest Quarter.

Parcel 2:

Section 11: Beginning at a point 100.00 feet North of the West Quarter corner of Said Section 11,
and running thence East 66.00 feet; thence North 1228.09 feet, more or less, to the North line of
the Southwest Quarter of the Northwest Quarter of said Section 11; thence West 66.00 feet to the
West line thereof; thence South 1228.09 feet to the point of beginning.

BUSINESS LICENSES

Account No: 3721
 Business Activity: 8121
 Fee: \$150
 CC Approval: ☐ Yes ☐ No Date: _____
 License Sent: _____
 Health Dept: _____

Price Utah BUSINESS LICENSE APPLICATION

Send all completed and properly signed forms (including attachments as necessary) along with applicable licensing fees to: Price City Business Licensing, P.O. Box 893, 185 East Main, Price, UT 84501. For questions call (435) 636-3183.

PLEASE TYPE OR PRINT LEGIBLY, ONLY COMPLETED, LEGIBLE APPLICATIONS, WILL BE CONSIDERED FOR APPROVAL.

Business Status: ☐ New Business ☒ Location Change ☐ Name Change ☐ Ownership Change

Business Name (include DBA): Hand Candy Tattoo

If Name Change, list previous name: _____

Business Address: (Proposed location) 80 S Carbon Ave. (current) 705 Main Helper

Suite/Apt. No.: _____

City: Price

State: UT

Zip Code: 84501

Business Telephone:
(435) 650-5866

Business E-mail:
handcandytattoo@gmail.com

Business Fax: _____

Mailing Address (if different): _____

City: _____

State: _____

Zip Code: _____

Property Owner's Name: _____

Property Owner's Telephone: () _____

Type of Organization: ☐ Corporation ☐ Partnership ☒ Sole Proprietorship ☐ LLC
(Include copy of name registration with the State of Utah)

Type of Business: ☒ Commercial ☐ Home Occupation ☐ Reciprocal

Nature of Business: ☐ Manufacturing ☒ Retail ☐ Wholesale ☒ Services ☐ Other

Opening Date: _____ **Business Hours:** From 9am To 9pm (M T W T H F S S U) (please circle)

Detailed Description of Business: Hand Candy Tattoo offers mostly services including tattooing, piercing, esthetics: tooth gems, facials, spray tanning, waxing, brow lamination & lash perm & tint

Commercial Square Feet: _____

No. of Arcade Games, Pool Tables, Etc.: _____

No. of Vending Machines: _____

No. of Mobile Home Spaces: _____

No. of Rental Units: _____

No. of RV Spaces: _____

No. of Motel Rooms: _____

No. of Beds: _____

State Sales Tax I.D. No. (Include copy or proof of exemption): 10589587 003 STC

Federal Tax I.D. No. (Include copy): 27-0290344

State License No. (Include copy): 10866

State License Type: Body Art

THE FOLLOWING LICENSES ARE SUBJECT TO ADDITIONAL REQUIREMENTS. Please contact the Business Licensing Officer (City Recorder) at (435) 636-3183, or 185 East Main, for more information. **Check all that apply.**

☐ Alcoholic Beverages ☐ Eating Establishment ☐ Amusement Center
☐ Pawnbroker ☐ Sexually Oriented Business

Account No: 3722
Business Activity: 5412
Fee: \$150-
CC Approval: ☐ Yes ☐ No Date: _____
License Sent: _____
Health Dept: _____

Price
Utah

BUSINESS LICENSE APPLICATION

Send all completed and properly signed forms (including attachments as necessary) along with applicable licensing fees to: Price City Business Licensing, P.O. Box 893, 185 East Main, Price, UT 84501. For questions call (435) 636-3183.

PLEASE TYPE OR PRINT LEGIBLY, ONLY COMPLETED, LEGIBLE APPLICATIONS, WILL BE CONSIDERED FOR APPROVAL.

Business Information			
Business Status: ☒ New Business ☐ Location Change ☐ Name Change ☐ Ownership Change			
Business Name (include DBA): Blossom Bookkeeping, LLC			
If Name Change, list previous name:			
Business Address: 808 N 1100 E		Suite/Apt. No.:	
City: Price	State: UT	Zip Code: 84501	
Business Telephone: 716-640-5148	Business E-mail: grace@blossombk.com	Business Fax:	
Mailing Address (if different):		City:	State: Zip Code:
Property Owner's Name:		Property Owner's Telephone: ()	
Type of Organization: ☐ Corporation ☐ Partnership ☐ Sole Proprietorship ☒ LLC (Include copy of name registration with the State of Utah)			
Type of Business: ☐ Commercial ☒ Home Occupation ☐ Reciprocal			
Nature of Business: ☐ Manufacturing ☐ Retail ☐ Wholesale ☒ Services ☐ Other			
Opening Date: 10/17/23 Business Hours: From 8am To 3pm M T W TH F S SU (please circle)			
Detailed Description of Business: Bookkeeping, small business admin support.			
Commercial Square Feet:	No. of Arcade Games, Pool Tables, Etc.:	No. of Vending Machines:	No. of Mobile Home Spaces:
No. of Rental Units:	No. of RV Spaces:	No. of Motel Rooms:	No. of Beds:
State Sales Tax I.D. No. (Include copy or proof of exemption):		Federal Tax I.D. No. (Include copy): 93-3948377	
State License No. (Include copy):		State License Type:	
THE FOLLOWING LICENSES ARE SUBJECT TO ADDITIONAL REQUIREMENTS. Please contact the Business Licensing Officer (City Recorder) at (435) 636-3183, or 185 East Main, for more information. Check all that apply. ☐ Alcoholic Beverages ☐ Eating Establishment ☐ Amusement Center ☐ Pawnbroker ☐ Sexually Oriented Business			