

**AGENDA**  
**PAROWAN CITY COUNCIL MEETING**  
**February 25, 2016**  
**Parowan City Office, 35 East 100 North, 6:00 P.M.**

1. Call Meeting to Order
2. Opening Ceremonies/Thought/Prayer – Alan Adams
3. Does anybody have any conflicts or personal interest in any matter on the agenda which needs to be declared?

**CONSENT MEETING**

4. Approval of Minutes (February 11, 2016 City Council Meeting)
5. Purchase Orders/Warrant Register
6. Water Board Appointment – Luck Felstead

**ACTION MEETING**

7. Agreement with Paragonah for Police Coverage
8. Beer and Wine License – Mountain View Lodge
9. Center Creek Change Order #8 – Sunrise Engineering
10. Lion's Park Restroom

**WORK MEETING**

11. Refinance Opportunity for Power Bond – Zion's Bank Public Finance
12. Department Report – Cleve Matheson
13. Iron County Rest Home proposal
14. Discussion about Roads
15. Splash Pad Discussion
16. Eagle Rock Road Discussion – Kevin McClellen
17. Member Reports
18. Public comment & discussion - Two minute limit each
19. **CLOSED SESSION:** strategy sessions to discuss the purchase, exchange, or lease of real property
20. Action Item – Property Deed
21. Adjourn

**CERTIFICATE OF POSTING & FAXING**

I hereby certify that on the 23<sup>rd</sup> day of February, 2016 I posted a copy of the foregoing agenda at the Parowan City Office, Parowan City Library, on the State web site, on the City web site, and I faxed a copy to The Spectrum at 586-7471

  
\_\_\_\_\_  
Callie Bassett, City Recorder

*NOTICE: Persons with disabilities needing special assistance to participate in this meeting should contact the City Office at 477-3331 no later than 24 hours prior to the meeting.*

**PAROWAN CITY COUNCIL MEETING  
FEBRUARY 11, 2016  
PAROWAN CITY OFFICES, 35. E. 100 N., 6:00 P.M.**

**MEMBERS PRESENT:** Mayor Donald G. Landes, Councilwoman Vickie Hicks, Councilmen Alan Adams, Ben Johnson, Jay Orton and Steve Thayer, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

**MEMBERS ABSENT:** No members were absent.

**PUBLIC PRESENT:** Chuck and Dottie Stade, Lisa Ewell, Jim Shurtleff, Heather Shurtleff, John Gibson, Chad Reid, Marge Cipkar, Earl Olsen, Jerry and Patti Vesely, Mark Barton, Paul K. Smith (Parowan PD) Stacey Carpenter, Ken Carpenter (Parowan Police Chief), Emily Johnson

**CALL TO ORDER:** Mayor Landes called the meeting to order at 6:00 p.m.

**OPENING CEREMONIES/THOUGHT/PRAYER – BEN JOHNSON:** Councilman Johnson offered the invocation. He then led the Council and the public in the Pledge of Allegiance.

**DOES ANYBODY HAVE ANY CONFLICTS OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED?** No conflicts were declared.

**CONSENT MEETING**

**APPROVAL OF MINUTES (January 28, 2016 City Council Meeting)  
PURCHASE ORDERS/WARRANT REGISTER**

Councilwoman Hicks moved to approve the consent agenda. Councilman Orton seconded the motion. Councilman Thayer asked if the amount paid to UAMPS was normal. Mr. Scott said it is for this time of year. Mr. Thayer also asked about the payment to Randall Allen. Attorney Wayment explained that because of the court, we are required to have a public defender. This is Mr. Allen's retainer fee.

The Council voted in favor of the motion. The motion carried.

**ACTION MEETING**

**PAROWAN CITY GOALS 2016:** Councilman Johnson moved to approve the Parowan City Goals 2016 as written. Councilman Thayer seconded the motion. Councilman Thayer told Mr. Scott that he believes the Council should take a tour of the City's properties and make sure they are cleaned up before we ask the residents to clean up their properties.

The Council voted in favor of the motion. The motion carried.

## WORK MEETING

**LIBRARY PRESENTATION – JOHN GIBSON:** Mr. Gibson introduced Mr. Chad Reid, the Chairman of the Cedar City Livestock and Heritage Festival. Mr. Reid said they just celebrated their 10<sup>th</sup> year of the festival this past year. The festival has been much more successful than they ever thought it could be. As part of that festival, they try to honor their livestock heritage.

Mr. Reid said the branding of livestock is one of the most unique tools used by the livestock industry. Brands are used to identify the owner of livestock, which helps to eliminate confusion and theft. Each brand must be unique. The shape, symbol and placement of the brand must be registered with the State Department of Agriculture to be legal.

Mr. Reid said Iron County has registered brands dating back to 1851. The Cedar Livestock and Heritage Festival Committee has spent over a hundred and fifty hours collecting Iron County family brands this past year. Over 100 brands are represented in their collection. As part of this project they made both blankets and wild rags (or neckerchiefs) with all of the brands represented. Mr. Gibson, one of the committee members and resident of Parowan, used his talents to create a beautiful frame to enclose a wild rag with 101 Iron County brands. Mr. Reid presented this to Parowan City Librarian Kristen Robinson to hang in the new City Offices or the Parowan Library as a symbol of the proud history of agriculture as played in Parowan, Iron County, and Southern Utah both past and present.

Mr. Reid also presented Mrs. Robinson with a copy of the book they compiled on the history of agriculture in this area, including all of the brands that were registered in this county from 1854 to 1870, the earliest settlement in the county. Mr. Reid also added that they are extremely proud to have had two Parowan residents serve as Grand Marshall of the Cedar Livestock and Heritage Festival – Mr. Glen Halterman and Mrs. Donna Mitchell.

**IRON COUNTY REST HOME PROPOSAL:** Mr. Scott explained to the new Council members that Parowan City seeded money to the State last year to help keep the Iron County Rest Home running and viable. That money did what it was intended to do.

Mayor John Brammall explained that for the past year, with the help of the City, they were able to participate in a program where the State and Federal governments worked together to help save nursing home facilities from going under. The City gave the State seed money, which they got back, and in turn the State and Federal government funded the nursing home's debt and allowed it to break even for the year. This program was only good for one year.

Mr. Brammall would now like the City to again assist the Iron County Nursing Home by participating in the Upper Limit Payment program. In this program, the City again provides seed money to the State (between \$7,000 – \$9,000/month, paid quarterly), and the State and Federal governments fund the nursing home. In this agreement, however, the City becomes the owner of the license to operate the nursing home facility, and the nursing facility leases the license to operate from the City (\$10,000/month.) This program allows the facility to become profitable, and allows the City to make a profit as well.

Attorney Wayment needs to review the agreement that was sent to him. This item will be on the next work meeting.

**RESOLUTION SUPPORTING BALLOT INITIATIVE ON HB 362:**

Mr. Scott said this was discussed last year. The decision to make HB 362 a ballot initiative is actually up to Iron County. HB 362 “reformed the state gas tax, and authorizes a local option transportation sales tax to allow for priority investment in state and local roads, transit and bike facilities” (Utah Transportation Coalition). It is up to the County to decide if they want this to be a ballot initiative. This resolution shows the County that Parowan City is in favor of the ballot initiative.

The general consensus of the Council is it is a good idea. The Council thinks it would be a good idea to wait until this legislative session is over to do anything. Councilman Johnson suggested filling in the highlighted areas on the resolution to have it ready for when the session is over.

**SPLASH PAD LOCATION/PROCESS:**

Councilman Johnson said it is one of the City’s goals to get the splash pad completed this year. A decision needs to be made as to where to put it. The Youth Council met and said they would like to see it in the Main Street Park, perhaps by the rose garden and Old Rock Church. Councilman Orton added that this is the preference of the Shade Tree Committee.

Councilman Johnson said his preference is to keep the splash pad in the Main Street Park so that people can use it and then visit the down town businesses. He feels this will be an economic boost for our City. Council Thayer said his only concern is if there will still be room for all of the activities that are held in the park, since the new restrooms took up a lot of green space. Councilman Orton said the Shade Tree Committee has concerns that the splash pad could distract from the Veterans’ Memorial Monument. They do not want to see that happen.

Attorney Wayment suggested the Northeast corner of the park. It is far enough from the swing sets that kids won’t be putting gravel in it, and it would be very visible. Councilman Johnson said he feels this should go back to the TARP committee and get their recommendation. The Council agreed with this suggestion.

**AGREEMENT WITH PARAGONAH FOR POLICE COVERAGE:**

Mr. Barton from Paragonah said their Council met with Reed Erickson and he explained where the County is coming from and how they got their numbers. He said the County wants Paragonah to pay a percentage of runs of the Sheriff’s complete budget, which is a multi-million dollar budget. That is why the numbers are so high. Paragonah’s board would like to contract with Parowan City. Mr. Scott said there is a breakdown of the County’s costs in the Council’s packets.

Councilman Adams is concerned about the numbers and feels that Parowan should charge much more the \$12,500. He feels the cost to the City will be much higher than this. He asked what services Paragonah is expecting Parowan Police Department to provide. Mr. Barton said they are currently just looking to have emergency response.

Councilman Johnson said he is supportive of the \$12,500 as long as the City assesses the costs. He doesn't want to see Parowan Police Department get to a point where it is relying on those funds from Paragonah to support their department. He also doesn't want to see Parowan subsidizing Paragonah. Councilman Thayer added that he feels we should provide service to Paragonah, and he doesn't think that Parowan is going to be affected by our police officers going over there. He would like Paragonah to evaluate the cost and bring back what they feel is a fair cost.

Councilman Orton asked if, after the cost are evaluated and the City finds that it is going to cost Parowan more than \$12,500, is it possible to come to Paragonah for the funds for the remainder of the year. Mr. Barton said he can't speak for his whole Council, but he isn't opposed to that as long as it isn't an extreme amount of money. It would extend their budget as it is. Mr. Barton said that they realize that they are going to have to work into taxes and get more funds. It is just going to take time. Councilwoman Hicks added that Chief Carpenter is able to provide the Council with a breakdown of actual calls responded to, serious calls, and reports taken over the phone.

Chief Carpenter said it isn't going to make a difference to Parowan if its police officers patrol over in Paragonah. We won't lose anything. Parowan PD is usually the first responders to Paragonah's emergency calls anyway because the Sheriff Deputies have to travel farther. The Sheriff Department has taken care of the everyday, run of the mill calls and Parowan hasn't responded to those. He said if Parowan PD is the closest in proximity to an emergency call, they are going to be the responders. They back up the Sheriff's Department as well as Brian Head's Police Department. Chief Carpenter said that in his opinion, whatever money we get from Paragonah is going to be a net savings for Parowan City.

Chief Carpenter said that Paragonah residents will not be getting the same service that Parowan residents are getting. Last year Paragonah had 70 calls for service and 30 reports. Right now, in less than a month and a half, Parowan has already made over 40 reports. Paragonah does not have the same requirements for law enforcement that Parowan requires. Chief Carpenter said if this were going to be a burden on the Parowan Police Department where he didn't think they could effectively do it without adding officers and other things, there wouldn't even be a discussion. Chief Carpenter feels confident that this is something that they can handle without any problem.

Mayor Landes said he would like to move this to the next action meeting. Mr. Scott said Attorney Wayment has agreed to write up the agreement. He will have this ready for the next meeting.

#### **LION'S PARK RESTROOM PROJECT:**

Mr. Scott said this agenda item is coming from staff. It has become a high priority item. He said what precipitated this conversation is the fact that the City received some money from the sale of the ambulance shed. It also received some TRT Grant funds from Iron County for this specific project. With this money, money from the General Fund, and Park Impact Fees, this project could be done the right way.

The staff would like to tear down the old building and build a new one. They would also like to re-roof the pavilion if there is enough money in the project. Mr. Scott said the staff is willing to do as much as possible in house. Councilman Johnson suggested maybe adding a concession stand for use at the park. Mr. Scott said this could be looked at.

Mr. Scott said the staff could start taking the building down within the month. This project absolutely must be done by August 1<sup>st</sup> for the Iron County Fair. Councilman Orton added that making these improvements is money well spent. It is something that has needed to be done for a long time. He would also like to see the re-roof of the pavilion included as part of the project and not as a side note. Mr. Scott said that the money is available in the general fund. Councilman Thayer said it would be great to get volunteers involved in this. It would be great to incorporate this into the annual Clean-Up Day.

**PARAGONAH BYPASS VALVE:** Mr. Scott said Mr. Von Mellor isn't ready to talk about this item too much yet, but would like the Council to start thinking about. Mr. Mellor has some conditions that the Council should agree to. There will be more information coming.

#### **MEMBER REPORTS:**

Councilman Steve Thayer reported that the Theater Board is sponsoring the spring play "Cheaper by the Dozen". Lisa Cox is directing this. It will be April 1, 2, 4, 8, 9, and 11. The Theater Board would like to see some eagle projects done at the theater. There is some need there. He also reported that in the Water Board meeting they discussed that where the Main Canyon Well is there is a lot of old equipment that needs to be cleared out. This will probably need to come before the City Council. The new well may be on line around June 1<sup>st</sup>. He said also that where the two creeks meet before the weirs there is a big sand bar that needs to be dredged.

Councilman Orton said he met with the Shade Tree committee. They are going through the planning process for the Unit 2 tree planting that will take place in May. Also, Saturday, April 30<sup>th</sup>, is the community Arbor Day event where there will be some tree planting and clean up around the Veteran's Memorial where the spruce trees are coming down. There will be some speakers that will talk about the war memorial as well as the rose garden. This will be advertised.

Councilwoman Hicks reported that the Chamber had their annual membership drive. They had a breakfast and encouraged people to join the chamber. She also met with Mr. Scott and Mrs. Diane Bixman to learn and understand how the budget for PAAL works.

Councilman Adams reported that he met with the Parowan Heritage Foundation. There was a quilt made for Parowan's birthday a few years ago by Ava Chamberlain. It has been displayed at the State Capital and in different venues around the state of Utah. The Heritage Foundation would like to find a permanent home for it. Councilman Adams asked if there might be a place in the City Office for this. He asked if this could be taken up with staff to find a place for it.

Councilman Adams also reported that at the Meeks cabin there is a tree on the NW corner that is causing problems. They are going to remove it. He asked if the City has decided on date for the

Clean-Up day. Councilman Johnson said the City would like to piggy back with the schools when they do their clean up projects. That would be the weekend before graduation.

Councilman Adams said he would like to include the Heritage Park in this. Councilman Johnson asked about coordinating with the churches. Councilman Adams thought this was a good idea. He said there is a 6" line up there that needs to be replaced and asked if the City can do that. He also reported that the Summer Solstice at the Gap will be on June 18<sup>th</sup>. They are going to have a Dutch oven dinner and workshops.

Councilman Johnson reported that the Youth Council met and they are regrouping on the Dinner and a Movie night. They are going to talk to the Chamber to see if they are willing to donate towards this. They discussed the splash pad location. Councilman Johnson wanted to share a thought he has about the Lion's Park. He is wondering about displays through the park at Christmastime along the Canyon Road by local businesses advertising their business. The City would need to provide the power, and they would need to be well done displays. These could be turned on as part of the Christmas lighting parade.

Councilman Johnson also reported that he would love to see an approved Eagle Scout projects list put on the City website. Chief Carpenter said that would need to be coordinated with David Schiers, who is on the Eagle Board and is responsible for approving Eagle projects. Councilman Johnson also said he is working with SUU students to help survey trails for the trails master plan. He said there is a young lady who wants to do her Edge project with branding and would like to help Parowan with that. There is also a Masters student doing his major research project on attracting young families to rural communities. He is going to do that for Parowan and get the information to the City.

**PUBLIC COMMENT & DISCUSSION – TWO MINUTE LIMIT EACH:**

Mr. Jim Shurtleff respectfully requested that the City keep the splash pad as far away from the Veteran's Memorial monument as possible. He said he can see kids coming off the splash pad and using the monument as a jungle gym. He said it deserves more respect than a place for kids to hang their towels coming off of the splash pad. As a veteran and as a citizen of this community, he asked that the Council protect the dignity of that monument and keep it a respectful place.

Councilman Johnson asked Mr. Shurtleff if the area by the rose garden was far enough away. Mr. Shurtleff felt that was even a little too close. Councilman Adams asked if there was any more thought of moving that monument up to the cemetery. Mr. Shurtleff said now that they are going to clear away the trees, it will be more visible where it is. There is discussion of putting a different monument up at the cemetery.

Mr. Jerry Vesely said that he has couple of public safety issues he would like to talk about. He said he lives 1.1 miles from the Maverik on Old Hwy 91. There are 48 potholes between his house and the Maverik, ranging in size from the size of his fist to one that is 48" across and 2" deep. He said the public works department has tried diligently to patch those potholes, but it is a band aid fix. Any time it rains or the snow melts, the water removes the dirt. He asked whose responsibility it is to patch those, and why are we doing band aid fixes. He feels there should be an asphalt fix so they can be done with it.

Mr. Scott told Mr. Vesely that it just takes money. He said there are many people who would talk about their location. Every day he hears about someone who wants their road fixed or their pot holes fixed. He said we can't pothole right now due to weather. Mr. Scott said we are looking at this. Councilman Johnson added that it is high priority and one of the Council's goals. He told Mr. Vesely about the study the City had done about all the roads in town, and the City would need \$360,000 a year to make the changes needed. The City does not have that. He said we need to do a better job with what we have.

Mr. Vesely said the other issues are the corners of Main Street and Center, and Main Street and 200 S. These are two way stops, and people who don't live here think they are 4 way stops. They are causing all kinds of near miss accidents. Mr. Vesely asked if it was possible to put signs on the stop signs that say 2-way stop. Mr. Scott said the problem is that is a UDOT road, so anything done on that road has to be done by UDOT. Mr. Scott said the City begged and pleaded for a flashing stop sign. Mr. Vesely asked if there could be more patrolling. Chief Carpenter said this is a common area that the police patrol. When the police presence is there, people stop.

Mr. Vesely said the suggested splash pad locations are going to take away from Mrs. Jet Smith's revenue booth space for Parowan City Events. He suggested looking at the NE corner of the park.

**ADJOURN:** Councilman Thayer moved to adjourn the meeting. Councilman Johnson seconded the motion with all Council members voting in favor of the motion. The meeting was adjourned at 7:48 p.m.

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Donald G. Landes, Mayor

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Callie Bassett, City Recorder



# PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576  
 PAROWAN, UT 84761-0576  
 (435) 477-3331

THIS ORDER NUMBER MUST APPEAR  
 ON ALL PACKAGES, INVOICES AND  
 SHIPPING PAPERS

TO COLOR COUNTY DIESEL

PURCHASE ORDER

NO. 0957

DATE: 2/18/2016

DELIVERY ADDRESS:

DEPARTMENT SOLID WASTE ACCT. NO. 554025

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
			NEW ENGINE FOR '08 CONDOR TRASH TRUCK		\$ 25,000 <sup>00</sup>

Kelly Stans  
 DEPARTMENT HEAD  
Chloe Barrett  
 CITY RECORDER

Julie Scherer  
 CITY TREASURER  
Shay Smith  
 CITY MANAGER

APPROVED BY CITY COUNCIL \_\_\_\_\_

CM 5

**Parowan City  
Check Register  
General Checking - 02/09/2016 to 02/23/2016**

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
BOWEN COLLINS & ASSOCIATES,	26848	14383	02/12/2016	649.50	professional services from 1/2/2016 to 1/29/201	511601 - CONSTRUCTION IN PRO
CAL RANCH STORES	26849	6344/11	02/12/2016	4.49	UNIFORM SPLIT	574047 - UNIFORM ALLOWANCE
CAL RANCH STORES	26849	6344/11	02/12/2016	4.50	UNIFORM SPLIT	514047 - UNIFORM ALLOWANCE
CAL RANCH STORES	26849	6344/11	02/12/2016	4.50	UNIFORM SPLIT	524047 - UNIFORM ALLOWANCE
CAL RANCH STORES	26849	6344/11	02/12/2016	4.50	UNIFORM SPLIT	524147 - UNIFORM ALLOWANCE
CAL RANCH STORES	26849	6351/11	02/12/2016	39.99	blue 15 gallon drum	534026 - MAINTENANCE MATERIA
				<b>\$57.98</b>		
CENTURY LINK	26850	846102092016	02/12/2016	1.38	CENTURY LINK SPLIT	104228 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	1.38	CENTURY LINK SPLIT	105728 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	1.38	CENTURY LINK SPLIT	105828 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	1.38	CENTURY LINK SPLIT	106928 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	1.38	CENTURY LINK SPLIT	107128 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	1.38	CENTURY LINK SPLIT	108028 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	2.76	CENTURY LINK SPLIT	104128 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	2.76	CENTURY LINK SPLIT	105928 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	3.45	CENTURY LINK SPLIT	574028 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	5.18	CENTURY LINK SPLIT	524028 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	5.18	CENTURY LINK SPLIT	104328 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	6.89	CENTURY LINK SPLIT	105428 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	6.90	CENTURY LINK SPLIT	514028 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	10.35	CENTURY LINK SPLIT	514028 - TELEPHONE
CENTURY LINK	26850	846102092016	02/12/2016	17.25	CENTURY LINK SPLIT	534028 - TELEPHONE
				<b>\$69.00</b>		
Child Support Services	26844	PR020516-4256	02/12/2016	535.38	Child Support Services	102245 - MISC/PAYROLL PAYABLE
CODALE ELECTRIC SUPPLY, INC	26851	S5593421.001	02/12/2016	53.55	EMT BENDER WITH HANDLE	534026 - MAINTENANCE MATERIA
CODALE ELECTRIC SUPPLY, INC	26851	S5596540.001	02/12/2016	41.10	PHILIPS SUPREME ALTO	534026 - MAINTENANCE MATERIA
				<b>\$94.65</b>		
COLOR COUNTRY DIESEL	26852	216801	02/12/2016	1,200.41	repairs to Fire Engine 21	105725 - REPAIRS TO EQUIPMENT
DAVIS HEATING & A/C SERVICE	26853	39658	02/12/2016	66.00	REPLACED FILTERS ON ALL 3 ROOFTOP U	107126 - MAINTENANCE MATERIA
DEGROFF, BURKE APRIL	26854	100000530.0208	02/12/2016	250.00	Deposit Refund: 100000530 - DEGROFF, BUR	532135 - CUSTOMER DEPOSITS
ESRI	26855	96354981	02/12/2016	1,353.00	Arc GIS for desktop basic single use license	534026 - MAINTENANCE MATERIA
IRON COUNTY LANDFILL	26856	I-10530	02/12/2016	5.27	C&D REMODEL AND DEMO (.31 TONS)	105926 - MAINTENANCE MATERIA
JERRY BIXMAN	26857	02102016	02/12/2016	26.42	reimbursement for shipping on a dimmer switch	107326 - MAINTENANCE MATERIA
JONES & DEMILLE ENGINEERING	26840	0114184	02/09/2016	1,392.80	PROF. SERVICES FROM 1/1/16 TO 1/31/16 -	444074 - CAPITAL OUTLAY - EQUI
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	14.06	LEGAL SERVICES SPLIT	104231 - PROFESSIONAL AND TE
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	14.06	LEGAL SERVICES SPLIT	105731 - PROFESSIONAL AND TE
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	14.06	LEGAL SERVICES SPLIT	105831 - PROFESSIONAL AND TE
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	14.06	LEGAL SERVICES SPLIT	106931 - PROFESSIONAL AND TE
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	14.06	LEGAL SERVICES SPLIT	108031 - PROFESSIONAL & TECH
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	70.30	LEGAL SERVICES SPLIT	105431 - PROFESSIONAL AND TE
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	93.73	LEGAL SERVICES SPLIT	554031 - PROFESSIONAL & TECH
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	140.60	LEGAL SERVICES SPLIT	104331 - PROFESSIONAL AND TE

Parowan City  
Check Register

General Checking - 02/09/2016 to 02/23/2016

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	187.46	LEGAL SERVICES SPLIT	524031 - PROFESSIONAL & TECH
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	187.46	LEGAL SERVICES SPLIT	524131 - PROFESSIONAL AND TE
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	187.46	LEGAL SERVICES SPLIT	574031 - PROFESSIONAL AND TE
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	374.93	LEGAL SERVICES SPLIT	514031 - PROFESSIONAL & TECH
JUSTIN WAYMENT, PC	26858	JAN 2016	02/12/2016	562.39	LEGAL SREVICES SPLIT	534031 - PROFESSIONAL & TECH
				<b>\$1,874.63</b>		
L & W SERVICES OF PAROWAN IN	26859	10496	02/12/2016	150.32	alcohol 99%	524126 - MAINTENANCE MATERIA
LARRY PENDLETON BUILDING	26841	DS0129	02/09/2016	1,161.00	SMOKE SEAL, DOOR SWEEPS, DOOR STOP	444074 - CAPITAL OUTLAY - EQUI
LARRY PENDLETON BUILDING	26841	ERG0128	02/09/2016	3,109.00	HEAT TAPE, ELEC. RAIN GUTTERS NORTH	444074 - CAPITAL OUTLAY - EQUI
LARRY PENDLETON BUILDING	26841	PB0130	02/09/2016	11,823.74	WORK ON BASEMENT, FENCE FOR POLICE	444074 - CAPITAL OUTLAY - EQUI
				<b>\$16,093.74</b>		
LES OLSON COMPANY	26860	EA633620	02/12/2016	403.25	1 YEAR #4 GMS ST. GEORGE	104331 - PROFESSIONAL AND TE
LONG TERM DISABILITY PROGRA	26845	PR012216-354	02/12/2016	283.63	Long Term Disability	102230 - RETIREMENT PAYABLE
LONG TERM DISABILITY PROGRA	26845	PR020516-354	02/12/2016	306.24	Long Term Disability	102230 - RETIREMENT PAYABLE
				<b>\$589.87</b>		
MICROMARKETING ASSOCIATES	26861	606611	02/12/2016	141.27	BOOKS	107521 - BOOKS
MONSTER INK & DESIGN	26862	1988	02/12/2016	22.00	SAMPLE T-SHIRTS FOR HALF MARATHON	107263 - MARATHONS/RACES
MONSTER INK & DESIGN	26862	2049	02/12/2016	149.00	mint green,natural t-shirts for Glider Festival	107259 - GLIDER EVENTS
				<b>\$171.00</b>		
MOUNT OLYMPUS WATERS, INC	26863	10217034 01291	02/12/2016	15.63	water cooler rental	534061 - SUNDRY
MOUNT OLYMPUS WATERS, INC	26863	10220009 01291	02/12/2016	37.43	water cooler rental	514061 - SUNDRY
MOUNT OLYMPUS WATERS, INC	26863	10222960 02021	02/12/2016	31.09	water cooler water purchase	104361 - SUNDRY
				<b>\$84.15</b>		
Mountain America Credit Union	26846	PR020516-3752	02/12/2016	680.00	Credit Union	102240 - CREDIT UNION PAYABLE
MOUNTAIN LOAN CENTERS, INC.	26847	PR020516-5544	02/12/2016	998.63	Garnishment	102245 - MISC/PAYROLL PAYABLE
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	0.47	OFFICE SUPPLIES SPLIT	104224 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	0.47	OFFICE SUPPLIES SPLIT	105824 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	0.47	OFFICE SUPPLIES SPLIT	106926 - MAINTENANCE MATERIA
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	0.47	OFFICE SUPPLIES SPLIT	108026 - MAINTENANCE MATERIA
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	0.93	OFFICE SUPPLIES SPLIT	104124 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	0.93	OFFICE SUPPLIES SPLIT	105926 - MAINTENANCE MATERIA
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	2.33	OFFICE SUPPLIES SPLIT	105424 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	3.26	OFFICE SUPPLIES SPLIT	104324 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	4.41	OFFICE SUPPLIES SPLIT	524024 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	4.41	OFFICE SUPPLIES SPLIT	524124 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	4.90	OFFICE SUPPLIES SPLIT	574026 - MAINTENANCE MATERIA
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	7.33	OFFICE SUPPLIES SPLIT	554024 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	8.82	OFFICE SUPPLIES SPLIT	514024 - OFFICE SUPPLIES AND E
MOUNTAIN WEST COMPUTERS	26864	48924	02/12/2016	9.80	OFFICE SUPPLIES SPLIT	534024 - OFFICE SUPPLIES AND E
				<b>\$49.00</b>		
QUESTAR GAS	26865	008620102016	02/12/2016	365.35	16 S MAIN	534027 - UTILITIES
QUESTAR GAS	26865	133502112016	02/12/2016	16.81	UTILITY SPLIT	574027 - UTILITIES

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Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
QUESTAR GAS	26865	133502112016	02/12/2016	16.82	UTILITY SPLIT	524027 - UTILITIES
QUESTAR GAS	26865	133502112016	02/12/2016	33.58	UTILITY SPLIT	524127 - UTILITIES
QUESTAR GAS	26865	133502112016	02/12/2016	67.18	UTILITY SPLIT	514027 - UTILITIES
QUESTAR GAS	26865	133502112016	02/12/2016	67.18	UTILITY SPLIT	534027 - UTILITIES
QUESTAR GAS	26865	223302102016	02/12/2016	55.84	33 W 100 S	104927 - UTILITIES
QUESTAR GAS	26865	298720102016	02/12/2016	425.73	405 N MAIN	534027 - UTILITIES
QUESTAR GAS	26865	320320102016	02/12/2016	177.20	73 N MAIN	105927 - UTILITIES
QUESTAR GAS	26865	325302102016	02/12/2016	888.54	117 S 550 E	107127 - UTILITIES
QUESTAR GAS	26865	405602102016	02/12/2016	59.12	50 W CENTER	104927 - UTILITIES
QUESTAR GAS	26865	489202102016	02/12/2016	339.37	27 N MAIN	107327 - UTILITIES
QUESTAR GAS	26865	922502102016	02/12/2016	321.27	160 W 200 S	105727 - UTILITIES
QUESTAR GAS	26865	958802102016	02/12/2016	221.81	5 S MAIN	524127 - UTILITIES
				<b>\$3,055.80</b>		
RANDALL, JANET LYNN	26866	100000508.0208	02/12/2016	43.96	Deposit Refund: 100000508 - RANDALL, JANE	532135 - CUSTOMER DEPOSITS
RENEW-LIFE REPURPOSED	26867	2232	02/12/2016	75.00	LIGHTED WOODEN CURIO	105926 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	26868	70218	02/12/2016	47.00	COPY PAPER - VISITOR CENTER	107226 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	2121601	PR020516-424	02/12/2016	1,582.46	Medicare Tax	102221 - FICA PAYABLE
STATE BANK OF SOUTHERN UTA	2121601	PR020516-424	02/12/2016	4,703.66	Federal Income Tax	102222 - FEDERAL WITHHOLDING
STATE BANK OF SOUTHERN UTA	2121601	PR020516-424	02/12/2016	6,766.24	Social Security Tax	102221 - FICA PAYABLE
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	-7.41	CEDAR MUSIC STORE - MICROPHONE HOL	104326 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	2.97	RADIO SHACK	104326 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	6.99	CEDAR MUSIC STORE - MICROPHONE HOL	104326 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	7.41	CEDAR MUSIC STORE - MICROPHONE HOL	104326 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	16.64	SHOP SPLIT	106126 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	16.64	SHOP SPLIT	514026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	16.64	SHOP SPLIT	524026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	16.64	SHOP SPLIT	524126 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	16.64	SHOP SPLIT	574026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	158202112016	02/12/2016	16.65	SHOP SPLIT	534026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	159002112016	02/12/2016	14.69	DRAMATIC PUBLISHING	107365 - EVENTS & PRODUCTION
STATE BANK OF SOUTHERN UTA	26869	159002112016	02/12/2016	16.35	SAMUEL FRENCH	107365 - EVENTS & PRODUCTION
STATE BANK OF SOUTHERN UTA	26869	159002112016	02/12/2016	28.85	SAMUEL FRENCH	107057 - TREES
STATE BANK OF SOUTHERN UTA	26869	159002112016	02/12/2016	65.00	DRAMATIC PUBLISHING - CHEAPER BY TH	107026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	159002112016	02/12/2016	120.00	DRAMATIC PUBLISHING - CHEAPER BY TH	107365 - EVENTS & PRODUCTION
STATE BANK OF SOUTHERN UTA	26869	159002112016	02/12/2016	180.59	DRAMATIC PUBLISHING - CHEAPER BY TH	107126 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	159002112016	02/12/2016	232.18	FLOURITE PLASTICS	104321 - SUBSCRIPTIONS AND ME
STATE BANK OF SOUTHERN UTA	26869	160802112016	02/12/2016	20.00	UTAH CORPORATIONS - LOCAL BUILDING A	104323 - TRAVEL, MEALS AND LO
STATE BANK OF SOUTHERN UTA	26869	160802112016	02/12/2016	26.23	ZUPAS - PELORUS TRAINING	107268 - SPECIAL CELEBRATIONS
STATE BANK OF SOUTHERN UTA	26869	160802112016	02/12/2016	56.40	CONCORDIA PUBLISHING - COMM. CHOIR	534026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	160802112016	02/12/2016	108.49	JW PEPPER AND SON - COMM. CHOIR MUSI	534026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	164002112016	02/12/2016	-26.46	GO WIRELESS	534026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	164002112016	02/12/2016	24.86	GO WIRELESS	534026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	164002112016	02/12/2016	26.46	GO WIRELESS	534026 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	164002112016	02/12/2016	330.92	IFA	534047 - UNIFORM ALLOWANCE
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	4.00	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	4.00	AMAZON - BOOKS	107521 - BOOKS

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Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	7.99	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	8.85	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	9.87	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	12.56	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	13.91	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	16.52	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	16.76	AMAZON - BOOKS	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	111.24	STAPLES	107521 - BOOKS
STATE BANK OF SOUTHERN UTA	26869	165702112016	02/12/2016	131.45	WALMART - BOOKS	107526 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	166502112016	02/12/2016	15.89	FAMILY DOLLAR - OFFICE CLEANING ITEMS	104326 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	168102112016	02/12/2016	127.46	WALMART	107270 - RECREATION/CONVENTI
STATE BANK OF SOUTHERN UTA	26869	168102112016	02/12/2016	227.97	WALMART	105926 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	483402112016	02/12/2016	6.00	SPOT FREE CAR WASH - CITY CAR	104326 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	483402112016	02/12/2016	19.85	BURGER KING - DAY AT THE LEGISLATURE	104123 - TRAVEL
STATE BANK OF SOUTHERN UTA	26869	483402112016	02/12/2016	25.25	ULINE SHIPPING SUPPLIES	104123 - TRAVEL
STATE BANK OF SOUTHERN UTA	26869	483402112016	02/12/2016	65.47	BURGER KING - DAY AT THE LEGISLATURE	104326 - MAINTENANCE MATERIA
STATE BANK OF SOUTHERN UTA	26869	483402112016	02/12/2016	76.00	MY PLACE ON MAIN - PIZZA FOR YOUTH CO	104123 - TRAVEL
STATE BANK OF SOUTHERN UTA	26869	565802112016	02/12/2016	24.84	MESQUITE TRAVEL CENTER - POPEYES	104123 - TRAVEL
STATE BANK OF SOUTHERN UTA	26869	565802112016	02/12/2016	40.00	NATIONAL TACTICAL	105423 - TRAVEL, MEALS AND LO
STATE BANK OF SOUTHERN UTA	26869	565802112016	02/12/2016	70.00	NATIONAL REGISTRY EMT	105421 - SUBSCRIPTIONS AND ME
STATE BANK OF SOUTHERN UTA	26869	565802112016	02/12/2016	150.00	IACP MEMBERSHIP RENEWAL	105433 - EDUCATION AND TRAINI
STATE BANK OF SOUTHERN UTA	26869	565802112016	02/12/2016	210.00	NATIONAL SHOOTING SPOR - SHOT SHOW I	105431 - SUBSCRIPTIONS AND ME
STATE BANK OF SOUTHERN UTA	26869	565802112016	02/12/2016	211.16	JIMMY JOHNS	105423 - TRAVEL, MEALS AND LO
STATE BANK OF SOUTHERN UTA	26869	565802112016	02/12/2016	529.19	SOUTHWEST APPLIANCE - FRIDGE FOR EVI	444074 - CAPITAL OUTLAY - EQUI
				<b>\$16,522.96</b>		
STATE OF UTAH GASCARD	26870	NP46589308	02/12/2016	14.69	GAS	104340 - Gas & Oil
STATE OF UTAH GASCARD	26870	NP46589308	02/12/2016	22.46	GAS	107040 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589308	02/12/2016	122.53	GAS	107240 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589309	02/12/2016	444.03	GAS	534040 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589310	02/12/2016	8.94	GAS	107040 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589310	02/12/2016	16.57	GAS	524140 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589310	02/12/2016	117.02	GAS	524040 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589310	02/12/2016	202.90	GAS	514040 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589310	02/12/2016	378.35	GAS	106140 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589310	02/12/2016	568.40	GAS	554040 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589311	02/12/2016	45.84	GAS	105740 - GAS AND OIL
STATE OF UTAH GASCARD	26870	NP46589312	02/12/2016	1,074.97	GAS	105440 - GAS AND OIL
				<b>\$3,016.70</b>		
SUNRISE ENGINEERING, INC	26871	0080505	02/12/2016	43.31	SUNRISE MONTHLY SPLIT	524131 - PROFESSIONAL AND TE
SUNRISE ENGINEERING, INC	26871	0080505	02/12/2016	43.37	SUNRISE MONTHLY SPLIT	524031 - PROFESSIONAL & TECH
SUNRISE ENGINEERING, INC	26871	0080505	02/12/2016	86.67	SUNRISE MONTHLY SPLIT	106131 - PROFESSIONAL AND TE
SUNRISE ENGINEERING, INC	26871	0080505	02/12/2016	86.67	SUNRISE MONTHLY SPLIT	514031 - PROFESSIONAL & TECH
SUNRISE ENGINEERING, INC	26871	0080505	02/12/2016	86.67	SUNRISE MONTHLY SPLIT	574031 - PROFESSIONAL AND TE
SUNRISE ENGINEERING, INC	26871	0080505	02/12/2016	173.31	SUNRISE MONTHLY SPLIT	534031 - PROFESSIONAL & TECH
				<b>\$520.00</b>		
SWRCA	26872	02102016	02/12/2016	30.00	SWRCA MEMBERSHIP DUES, 2016	104321 - SUBSCRIPTIONS AND ME

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Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
SYMBOL ARTS	26873	0246795-IN	02/12/2016	190.00	PAUL'S BADGE	105447 - UNIFORM ALLOWANCE
TRAVEL CENTERS OF AMERICA	26874	02092016	02/12/2016	370.36	repairs to fire truck	105725 - REPAIRS TO EQUIPMENT
UDOT DIVISION OF AERONAUTIC	26875	02092016	02/12/2016	10.00	2016 Annual Airport License Fee	108531 - PROFESSIONAL & TECHI
UTAH RETIREMENT SYSTEMS	2121602	PR020516-487	02/12/2016	208.33	Roth IRA	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2121602	PR020516-487	02/12/2016	1,323.60	457 Plan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2121602	PR020516-487	02/12/2016	1,542.30	401k Loan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2121602	PR020516-487	02/12/2016	2,807.48	401k Plan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	2121602	PR020516-487	02/12/2016	9,383.05	State Retirement	102230 - RETIREMENT PAYABLE
				<b>\$15,264.76</b>		
VON MELLOR	26843	02102016	02/11/2016	600.00	reimbursement for Von from UAMPS check rec	514061 - SUNDRY
WHEELER MACHINERY CO	26876	RS0000043634	02/12/2016	1,296.00	SNOW PLOW RENTAL - 1/6/16 TO 2/2/16	106157 - EQUIPMENT RENTAL
				<b>\$67,978.81</b>		

Dated \_\_\_\_\_  
 Mayor \_\_\_\_\_  
 City Council \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 City Recorder \_\_\_\_\_  
 City Treasurer \_\_\_\_\_

## INTERLOCAL COMPACT AGREEMENT

COMES NOW **Parowan City, State of Utah**, a municipal corporation, (hereinafter "Parowan") and **Paragonah Town, State of Utah**, a municipal corporation (hereinafter "Paragonah") and does hereby enter into this Interlocal Compact Agreement, (hereafter referred to as "Agreement"), on this \_\_\_\_\_ day of February, 2016, for the betterment and benefit of both Parowan and Paragonah.

WHEREAS, the Interlocal Cooperation Act, Section §11-13-101, *et. seq.*, Utah Code Ann. 1953 as amended, permits local governmental entities to make the most efficient use of their powers by enabling them to combine or provide joint services;

WHEREAS it is the desire of Parowan and Paragonah to maximize the most efficient, economic and beneficial use of both municipalities' economic resources;

WHEREAS, Utah Code Ann. §11-13-202, *et. seq.* provides for a public agency to provide law enforcement services to another municipality under an interlocal agreement by providing joint or cooperative law enforcement services between or among various public agencies;

WHEREAS, said Agreement is for the mutual advantage and for the overall promotion and general welfare of both municipalities and its citizens, and will provide the benefit of economy of scale since Parowan officers have previously backed or responded to emergency calls in Paragonah without compensation due to the municipalities' proximity to each other;

WHEREAS Parowan already has an existing police department, and this Agreement does not require any additional resources to address emergency calls within Paragonah town limits;

WHEREAS, Parowan and Paragonah, desire to enter into this Interlocal Compact Agreement wherein the Parowan City Police Department shall provide police services to Paragonah citizens at a pre-determined rate set forth hereafter, but with certain limited conditions regarding active police presence and response to emergency calls; and

WHEREAS the mutual funding of the same will make a more productive Police Department.

IN CONSIDERATION of the foregoing, and of the mutual covenant, promises and conditions contained herein, each Party agrees as follows:

1. **Services Rendered.** Parowan agrees to provide Paragonah with the following services:

A. Parowan shall maintain a Police Department building, provide its own police computers and equipment, vehicles and personnel which shall be utilized to provide a limited police presence within Paragonah's municipal boundaries to respond to citizen emergency calls as well as address other calls for police services during reasonable business. The hours shall be established by the Parowan Police Department as availability is determined appropriate for police services while assuring officer availability for emergency responses.

B. Parowan Police Department shall continue to render full police services to its own citizens as previously heretofore provided, and it is expressly stipulated that Paragonah is not requesting the level of services provided by Parowan to its own citizens. Notwithstanding, all emergency police services rendered and supplied to Parowan citizens shall be rendered and supplied to Paragonah citizens under the similar circumstances.

C. Parowan reserves the right to make all management decisions and to determine and direct the nature, type, and quality of police services provided by its officers, including but not limited to the type of police training, number of officers employed, type of equipment utilized, hours of operation, budgeting, and all other administrative and operational decisions.

2. **Payment.** Paragonah shall pay to Parowan the sum of \$12,500.00 per year commencing on a yearly basis from January 1, 2016 through December 31, 2016, and each respective year thereafter, with a review at the six (6) month anniversary of each year to determine the proper financial contribution necessary to sustain and provide services to Paragonah for the following year. Payment may be adjusted yearly as may be necessary to adequately compensate Parowan for services rendered to Paragonah.

3. **Method of Payment.** The fees shall be paid by Paragonah on a semi-yearly basis with one-half of the yearly payment due and payable on January 1<sup>st</sup> of each respective year and balance of the yearly amount due on July 1<sup>st</sup> of each respective year, with the first payment of \$6,250.00 to be due upon execution of this contract and the balance due on July 1<sup>st</sup>, 2016.

4. **Agreement.** Parowan and Paragonah agree that this Interlocal Compact Agreement shall be deemed effective immediately upon execution of the same, and shall continue and remain in full force and effect until terminated by either party.

5. **Term of Agreement.** This Interlocal Compact Agreement shall be for a period of twelve (12) months and shall be renewable upon mutual agreement of both parties. Paragonah and Parowan agree that this Agreement shall be binding for the fiscal year 2016 and shall automatically renew except in the event that either party terminates the Agreement, six (6) months prior to the end of the calendar years.

6. **Misc.**

A. This Agreement shall be governed by the laws of the State of Utah and is subject to and to be construed pursuant to such laws.

B. In the event of breach or default hereunder, the prevailing party shall be entitled to recover from the other for all costs and a reasonable attorney's fee incurred in determining, protecting or enforcing their rights hereunder.

[Date and Signature on Following Page]

DATED this \_\_\_\_\_ February, 2016.

PAROWAN CITY:

By: \_\_\_\_\_  
Its Mayor

COUNTERSIGNED & ATTESTED:

By: \_\_\_\_\_  
Its City Recorder

PARAGONAH TOWN:

By: \_\_\_\_\_  
Its Mayor

COUNTERSIGNED & ATTESTED:

By: \_\_\_\_\_  
Its: Town Recorder

(Seal)

Date of Issuance: \_\_\_\_\_ Effective Date: 02.16.16  
 Owner: City of Parowan Owner's Contract No.: \_\_\_\_\_  
 Contractor: Precision Pipeline, Inc. Contractor's Project No.: \_\_\_\_\_  
 Engineer: Sunrise Engineering, Inc. Engineer's Project No.: 04520  
 Project: Center Creek Hydroelectric Penstock Replacement  
 Project

The Contract is modified as follows upon execution of this Change Order:

Description:  
 Increase/Decrease in final quantity necessitated by site condition.

Attachments: Contract Change Order & Revised Bid Schedule

CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIMES <i>[note changes in Milestones if applicable]</i>
Original Contract Price: \$ <u>1,264,187.50</u>	Original Contract Times: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
<b>Increase</b> from previously approved Change Order No. <u>1</u> to No <u>7</u> : \$ <u>133,281.56</u>	[Increase] [Decrease] from previously approved Change Orders No. <u>   </u> to No. <u>   </u> : Substantial Completion: _____ Ready for Final Payment: _____ days
Contract Price prior to this Change Order: \$ <u>1,397,469.06</u>	Contract Times prior to this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
Decrease of this Change Order: \$ <u>22,316.29</u>	[Increase] [Decrease] of this Change Order: Substantial Completion: _____ Ready for Final Payment: _____ days or dates
Contract Price incorporating this Change Order: \$ <u>1,375,152.77</u>	Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for Final Payment: _____ days or dates

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: _____ Engineer (if required)	By: _____ Owner (Authorized Signature)	By: _____ Contractor (Authorized Signature)
Title: _____	Title: _____	Title: _____
Date: _____	Date: _____	Date: _____

Approved by Funding Agency (if applicable)

By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Title: \_\_\_\_\_

CONTRACT CHANGE ORDER					ORDER NO. 8	
CONTRACT FOR: Center Creek Hydroelectric Penstock Replacement Project					DATE: 02/16/2016	
OWNER: City of Parowan					PROJECT NO.	
CONTRACTOR: Precision Pipeline, Inc.						
You are hereby requested to comply with the following changes from the contract plans and specifications. The following Bid Items will be revised on the Contractor's Bid Schedule						
Bid Item	Description of Changes (Supplemental Drawings & Specifications Attached)	Qty	Unit	Unit Price	Decrease in Contract Price	Increase in Contract Price
5	SUBSURFACE INVESTIGATION	8	HR	\$ 125.00	\$ -	\$ 1,000.00
10	20" BUTTERFLY VALVE ASSEMBLY	(1)	EA	\$ 6,525.00	\$ (6,525.00)	\$ -
11	20" HDPE WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL	27	LF	\$ 19.35	\$ -	\$ 522.45
12	24" HDPE WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL	(45)	LF	\$ 19.35	\$ (870.75)	\$ -
20	HIGHWAY CROSSING	(6.58)	LF	\$ 528.00	\$ (3,474.24)	\$ -
22	SOLID ROCK TRENCH EXCAVATION	(522)	LF	\$ 10.00	\$ (5,220.00)	\$ -
23	3" BITUMINOUS SURFACING W/ 6" BASE	(1,792)	SF	\$ 3.95	\$ (7,078.40)	\$ -
27	20" DUCTILE IRON WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL (CL350)	42	LF	\$ 16.75	\$ -	\$ 703.50
29	20" DUCTILE IRON WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL (CL250)	(71)	LF	\$ 19.35	\$ (1,373.85)	\$ -
TOTALS					\$ (24,542.24)	\$ 2,225.95
NET CHANGE IN CONTRACT PRICE					\$ (22,316.29)	\$ (22,316.29)
JUSTIFICATION:						
Bid Item No. 5, 11, & 27 Increase in final quantity necessitated by site condition.						
Bid Item No. 10, 12, 20, 22, 23, & 29 Decrease in final quantity necessitated by site condition.						
The amount of the Contract will be increased by the sum of:					\$ (22,316.29)	DOLLARS
The Contract total including this and previous change orders will be:					\$ 1,375,152.77	DOLLARS
The Contract period provided for completion will (increase)					N/A	
Previous Contract Total Cost:					\$ 1,397,469.06	DOLLARS
<b>This document will become a supplement to the Contract and all provisions will apply thereto.</b>						
Requested (OWNER) _____				Date: _____		
Recommended (ENGINEER) _____				Date: _____		
Accepted (CONTRACTOR) _____				Date: _____		
Approved (Division of Water Resources) _____				Date: _____		

**CITY OF PAROWAN  
CENTER CREEK HYDROELECTRIC PENSTOCK REPLACEMENT PROJECT**

NO.	ITEM	C.O.#	QTY	UNIT	Precision Pipeline, Inc.	
					UNIT PRICE	AMOUNT
<b>BID ITEMS</b>						
1	MOBILIZATION		1	LS	\$ 49,860.00	\$ 49,860.00
2	PRE-CONSTRUCTION DVD		1	LS	\$ 500.00	\$ 500.00
3	TRAFFIC CONTROL		1	LS	\$ 10,765.00	\$ 10,765.00
4	CONSTRUCTION STAKING		1	LS	\$ 8,800.00	\$ 8,800.00
5	SUBSURFACE INVESTIGATION	8	88	HR	\$ 125.00	\$ 11,000.00
6	QUALITY CONTROL SAMPLING & TESTING		1	LS	\$ 28,570.00	\$ 28,570.00
7	DEMOLITION		1	LS	\$ 75,000.00	\$ 75,000.00
8	CLEARING & GRUBBING		1	LS	\$ 25,000.00	\$ 25,000.00
9	6" COMBINATION AIR/VAC VALVE STATION		1	EA	\$ 16,350.00	\$ 16,350.00
10	20" BUTTERFLY VALVE ASSEMBLY	8	1	EA	\$ 6,525.00	\$ 6,525.00
11	20" HDPE WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL	1,8	2,647	LF	\$ 19.35	\$ 51,219.45
12	24" HDPE WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL	1,8	3,285	LF	\$ 19.35	\$ 63,564.75
13	RESTORE SURFACE IMPROVEMENTS		1	LS	\$ 15,000.00	\$ 15,000.00
14	RETRO-FIT WASH CROSSING		1	LS	\$ 13,885.00	\$ 13,885.00
15	AERIAL CROSSING #1		1	LS	\$ 74,035.00	\$ 74,035.00
16	AERIAL CROSSING #2		1	LS	\$ 89,130.00	\$ 89,130.00
17	AERIAL CROSSING #3		1	LS	\$ 89,130.00	\$ 89,130.00
18	ACCESS PORT	2	2	EA	\$ 19,620.00	\$ 39,240.00
19	METERING STATION		1	LS	\$ 19,245.00	\$ 19,245.00
20	HIGHWAY CROSSING	8	108.42	LF	\$ 528.00	\$ 57,245.76
21	MISCELLANEOUS CONNECTIONS, PIPING, FITTINGS, CAPS & TIE-IN		1	LS	\$ 139,910.00	\$ 139,910.00
22	SOLID ROCK TRENCH EXCAVATION	8	278	LF	\$ 10.00	\$ 2,780.00
23	3" BITUMINOUS SURFACING W/ 6" BASE	8	10,808	SF	\$ 3.95	\$ 42,691.60
24	DIVERSION STRUCTURE IMPROVEMENTS		1	LS	\$ 35,945.00	\$ 35,945.00
25	PROTECTIVE RIPRAP		245	LF	\$ 20.00	\$ 4,900.00
26	BANK AND TOE PROTECTION		1	LS	\$ 7,500.00	\$ 7,500.00
27	20" DUCTILE IRON WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL (CL350)	1,8	9,808	LF	\$ 16.75	\$ 164,284.00
28	CATHODIC PROTECTION	1	0	LS	\$ 39,995.00	\$ -
29	20" DUCTILE IRON WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL (CL250)	1,8	2,029	LF	\$ 19.35	\$ 39,261.15
30	20" CL 250 PRESSURE TEST VALVES	2	2	EA	\$ 9,541.45	\$ 19,082.90
31	20" HDPE WATERLINE INSTALLATION W/ FITTING , END CAPS & SPACERS	3	1	LS	\$ 15,757.50	\$ 15,757.50
32	EXISTING UTILITY MODIFICATION	4	1	EA	\$ 2,800.00	\$ 2,800.00
33	4" GOOSE NECK AIR-VENT (16' TALL)	5	1	LS	\$ 4,055.00	\$ 4,055.00
34	WELL LINE INSTALLATION TO FOREBAY	5	1	LS	\$ 1,500.00	\$ 1,500.00
35	PRESSURIZED IRRIGATION BYPASS LINE	5	1	LS	\$ 5,820.66	\$ 5,820.66
36	TRACER WIRE COVER & LID	5	14	EA	\$ 90.00	\$ 1,260.00
37	INSTALL TRACER WIRE COVER CONCRETE COLLAR	5	14	EA	\$ 250.00	\$ 3,500.00
38	BYPASS LINE W/ VAULT	6	1	LS	\$ 126,435.00	\$ 126,435.00
39	REMOVE 20" BUTTERFLY VALVE FROM DUCTILE IRON	7	2	EA	\$ 4,985.00	\$ 9,970.00
40	REMOVE 20" BUTTERFLY VALVE FROM HDPE	7	1	EA	\$ 3,635.00	\$ 3,635.00
					<b>TOTAL</b>	<b>\$ 1,375,152.77</b>

Lion's Park Restroom Funding Proposal (staff proposal)

\$10,000 TRT Grant from Iron County  
\$30,000 Payment from Iron County on Ambulance Building sale  
\$29,000 General Fund allocation  
\$21,000 Park Impact Fees  
  
\$90,000 Total

Also:

Re-roof the Lion's Park Pavillion

Was a rebuild and now a start over

Staff able to remove existing facility - would do so asap

Staff united on this need

## Parowan City, Utah

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\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

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## Parowan City, Utah

\$3,879,000 Electric Revenue Refunding Bonds

Series 2013

(Final Numbers)

### Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/07/2013	-	-	-	-	-
05/01/2013	246,000.00	0.980%	13,136.90	259,136.90	259,136.90
11/01/2013	-	-	42,584.25	42,584.25	-
05/01/2014	232,000.00	1.050%	42,584.25	274,584.25	317,168.50
11/01/2014	-	-	41,366.25	41,366.25	-
05/01/2015	234,000.00	1.150%	41,366.25	275,366.25	316,732.50
11/01/2015	-	-	40,020.75	40,020.75	-
05/01/2016	237,000.00	1.300%	40,020.75	277,020.75	317,041.50
11/01/2016	-	-	38,480.25	38,480.25	-
05/01/2017	240,000.00	1.450%	38,480.25	278,480.25	316,960.50
11/01/2017	-	-	36,740.25	36,740.25	-
05/01/2018	244,000.00	1.600%	36,740.25	280,740.25	317,480.50
11/01/2018	-	-	34,788.25	34,788.25	-
05/01/2019	247,000.00	1.850%	34,788.25	281,788.25	316,576.50
11/01/2019	-	-	32,503.50	32,503.50	-
05/01/2020	252,000.00	1.950%	32,503.50	284,503.50	317,007.00
11/01/2020	-	-	30,046.50	30,046.50	-
05/01/2021	257,000.00	2.100%	30,046.50	287,046.50	317,093.00
11/01/2021	-	-	27,348.00	27,348.00	-
05/01/2022	262,000.00	2.350%	27,348.00	289,348.00	316,696.00
11/01/2022	-	-	24,269.50	24,269.50	-
05/01/2023	269,000.00	2.750%	24,269.50	293,269.50	317,539.00
11/01/2023	-	-	20,570.75	20,570.75	-
05/01/2024	276,000.00	3.050%	20,570.75	296,570.75	317,141.50
11/01/2024	-	-	16,361.75	16,361.75	-
05/01/2025	284,000.00	3.450%	16,361.75	300,361.75	316,723.50
11/01/2025	-	-	11,462.75	11,462.75	-
05/01/2026	294,000.00	3.700%	11,462.75	305,462.75	316,925.50
11/01/2026	-	-	6,023.75	6,023.75	-
05/01/2027	305,000.00	3.950%	6,023.75	311,023.75	317,047.50
<b>Total</b>	<b>\$3,879,000.00</b>	<b>-</b>	<b>\$818,269.90</b>	<b>\$4,697,269.90</b>	<b>-</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	4/15/2016
Average Life	5.815 Years
Average Coupon	3.0447703%
Weighted Average Maturity (Par Basis)	5.815 Years
Weighted Average Maturity (Original Price Basis)	5.815 Years

### Refunding Bond Information

Refunding Dated Date	4/15/2016
Refunding Delivery Date	4/15/2016

## Parowan City, Utah

\$3,879,000 Electric Revenue Refunding Bonds

Series 2013

(Final Numbers)

### Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
04/15/2016	3,167,000.00	36,463.35	3,203,463.35	-	-	-	-	-
05/01/2016	-	-	-	237,000.00	1.300%	40,020.75	277,020.75	277,020.75
11/01/2016	-	-	-	-	-	38,480.25	38,480.25	-
05/01/2017	-	-	-	240,000.00	1.450%	38,480.25	278,480.25	316,960.50
11/01/2017	-	-	-	-	-	36,740.25	36,740.25	-
05/01/2018	-	-	-	244,000.00	1.600%	36,740.25	280,740.25	317,480.50
11/01/2018	-	-	-	-	-	34,788.25	34,788.25	-
05/01/2019	-	-	-	247,000.00	1.850%	34,788.25	281,788.25	316,576.50
11/01/2019	-	-	-	-	-	32,503.50	32,503.50	-
05/01/2020	-	-	-	252,000.00	1.950%	32,503.50	284,503.50	317,007.00
11/01/2020	-	-	-	-	-	30,046.50	30,046.50	-
05/01/2021	-	-	-	257,000.00	2.100%	30,046.50	287,046.50	317,093.00
11/01/2021	-	-	-	-	-	27,348.00	27,348.00	-
05/01/2022	-	-	-	262,000.00	2.350%	27,348.00	289,348.00	316,696.00
11/01/2022	-	-	-	-	-	24,269.50	24,269.50	-
05/01/2023	-	-	-	269,000.00	2.750%	24,269.50	293,269.50	317,539.00
11/01/2023	-	-	-	-	-	20,570.75	20,570.75	-
05/01/2024	-	-	-	276,000.00	3.050%	20,570.75	296,570.75	317,141.50
11/01/2024	-	-	-	-	-	16,361.75	16,361.75	-
05/01/2025	-	-	-	284,000.00	3.450%	16,361.75	300,361.75	316,723.50
11/01/2025	-	-	-	-	-	11,462.75	11,462.75	-
05/01/2026	-	-	-	294,000.00	3.700%	11,462.75	305,462.75	316,925.50
11/01/2026	-	-	-	-	-	6,023.75	6,023.75	-
05/01/2027	-	-	-	305,000.00	3.950%	6,023.75	311,023.75	317,047.50
<b>Total</b>	<b>\$3,167,000.00</b>	<b>\$36,463.35</b>	<b>\$3,203,463.35</b>	<b>\$3,167,000.00</b>	<b>-</b>	<b>\$597,211.25</b>	<b>\$3,764,211.25</b>	<b>-</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	4/15/2016
Average Life	5.815 Years
Average Coupon	3.0447703%
Weighted Average Maturity (Par Basis)	5.815 Years
Weighted Average Maturity (Original Price Basis)	5.815 Years

### Refunding Bond Information

Refunding Dated Date	4/15/2016
Refunding Delivery Date	4/15/2016

## Parowan City, Utah

\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

### Summary Of Bonds Refunded

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
<b>Dated 3/07/2013   Delivered 3/07/2013</b>							
2013 E Rev	05/01/2016	Serial	Coupon	1.300%	237,000	04/15/2016	100.000%
2013 E Rev	05/01/2017	Serial	Coupon	1.450%	240,000	04/15/2016	100.000%
2013 E Rev	05/01/2018	Serial	Coupon	1.600%	244,000	04/15/2016	100.000%
2013 E Rev	05/01/2019	Serial	Coupon	1.850%	247,000	04/15/2016	100.000%
2013 E Rev	05/01/2020	Serial	Coupon	1.950%	252,000	04/15/2016	100.000%
2013 E Rev	05/01/2021	Serial	Coupon	2.100%	257,000	04/15/2016	100.000%
2013 E Rev	05/01/2022	Serial	Coupon	2.350%	262,000	04/15/2016	100.000%
2013 E Rev	05/01/2023	Serial	Coupon	2.750%	269,000	04/15/2016	100.000%
2013 E Rev	05/01/2024	Serial	Coupon	3.050%	276,000	04/15/2016	100.000%
2013 E Rev	05/01/2025	Serial	Coupon	3.450%	284,000	04/15/2016	100.000%
2013 E Rev	05/01/2026	Serial	Coupon	3.700%	294,000	04/15/2016	100.000%
2013 E Rev	05/01/2027	Serial	Coupon	3.950%	305,000	04/15/2016	100.000%
<b>Subtotal</b>	-			-	<b>\$3,167,000</b>	-	-
<b>Total</b>	-			-	<b>\$3,167,000</b>	-	-

## Parowan City, Utah

\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

### Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/15/2016	-	-	-	-	-
11/01/2016	-	-	27,765.09	27,765.09	-
05/01/2017	250,000.00	1.090%	25,498.55	275,498.55	303,263.64
11/01/2017	-	-	24,136.05	24,136.05	-
05/01/2018	255,000.00	0.980%	24,136.05	279,136.05	303,272.10
11/01/2018	-	-	22,886.55	22,886.55	-
05/01/2019	257,000.00	1.120%	22,886.55	279,886.55	302,773.10
11/01/2019	-	-	21,447.35	21,447.35	-
05/01/2020	260,000.00	1.240%	21,447.35	281,447.35	302,894.70
11/01/2020	-	-	19,835.35	19,835.35	-
05/01/2021	263,000.00	1.420%	19,835.35	282,835.35	302,670.70
11/01/2021	-	-	17,968.05	17,968.05	-
05/01/2022	267,000.00	1.650%	17,968.05	284,968.05	302,936.10
11/01/2022	-	-	15,765.30	15,765.30	-
05/01/2023	272,000.00	1.880%	15,765.30	287,765.30	303,530.60
11/01/2023	-	-	13,208.50	13,208.50	-
05/01/2024	277,000.00	2.090%	13,208.50	290,208.50	303,417.00
11/01/2024	-	-	10,313.85	10,313.85	-
05/01/2025	282,000.00	2.250%	10,313.85	292,313.85	302,627.70
11/01/2025	-	-	7,141.35	7,141.35	-
05/01/2026	289,000.00	2.380%	7,141.35	296,141.35	303,282.70
11/01/2026	-	-	3,702.25	3,702.25	-
05/01/2027	295,000.00	2.510%	3,702.25	298,702.25	302,404.50
<b>Total</b>	<b>\$2,967,000.00</b>	<b>-</b>	<b>\$366,072.84</b>	<b>\$3,333,072.84</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$18,412.87
Average Life	6.206 Years
Average Coupon	1.9881360%
Net Interest Cost (NIC)	1.9881360%
True Interest Cost (TIC)	1.9759990%
Bond Yield for Arbitrage Purposes	1.9759990%
All Inclusive Cost (AIC)	2.2122256%

### IRS Form 8038

Net Interest Cost	1.9881360%
Weighted Average Maturity	6.206 Years

## Parowan City, Utah

\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

### Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
05/01/2017	Serial Coupon	1.090%	1.090%	250,000.00	100.000%	250,000.00
05/01/2018	Serial Coupon	0.980%	0.980%	255,000.00	100.000%	255,000.00
05/01/2019	Serial Coupon	1.120%	1.120%	257,000.00	100.000%	257,000.00
05/01/2020	Serial Coupon	1.240%	1.240%	260,000.00	100.000%	260,000.00
05/01/2021	Serial Coupon	1.420%	1.420%	263,000.00	100.000%	263,000.00
05/01/2022	Serial Coupon	1.650%	1.650%	267,000.00	100.000%	267,000.00
05/01/2023	Serial Coupon	1.880%	1.880%	272,000.00	100.000%	272,000.00
05/01/2024	Serial Coupon	2.090%	2.090%	277,000.00	100.000%	277,000.00
05/01/2025	Serial Coupon	2.250%	2.250%	282,000.00	100.000%	282,000.00
05/01/2026	Serial Coupon	2.380%	2.380%	289,000.00	100.000%	289,000.00
05/01/2027	Serial Coupon	2.510%	2.510%	295,000.00	100.000%	295,000.00
<b>Total</b>	-	-	-	<b>\$2,967,000.00</b>	-	<b>\$2,967,000.00</b>

### Bid Information

Par Amount of Bonds	\$2,967,000.00
Gross Production	\$2,967,000.00
Bid (100.000%)	2,967,000.00
Total Purchase Price	\$2,967,000.00
Bond Year Dollars	\$18,412.87
Average Life	6.206 Years
Average Coupon	1.9881360%
Net Interest Cost (NIC)	1.9881360%
True Interest Cost (TIC)	1.9759990%

## Parowan City, Utah

\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

### Sources & Uses

Dated 04/15/2016 | Delivered 04/15/2016

#### Sources Of Funds

Par Amount of Bonds	\$2,967,000.00
Transfers from Prior Issue Debt Service Funds	277,020.75

**Total Sources** **\$3,244,020.75**

#### Uses Of Funds

Costs of Issuance	40,000.00
Deposit to Current Refunding Fund	3,203,463.35
Rounding Amount	557.40

**Total Uses** **\$3,244,020.75**

## Parowan City, Utah

\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
04/15/2016	-	-	-	-	(557.40)	-
05/01/2016	-	-	-	-	-	(557.40)
11/01/2016	-	-	27,765.09	27,765.09	27,765.09	-
05/01/2017	250,000.00	1.090%	25,498.55	275,498.55	275,498.55	303,263.64
11/01/2017	-	-	24,136.05	24,136.05	24,136.05	-
05/01/2018	255,000.00	0.980%	24,136.05	279,136.05	279,136.05	303,272.10
11/01/2018	-	-	22,886.55	22,886.55	22,886.55	-
05/01/2019	257,000.00	1.120%	22,886.55	279,886.55	279,886.55	302,773.10
11/01/2019	-	-	21,447.35	21,447.35	21,447.35	-
05/01/2020	260,000.00	1.240%	21,447.35	281,447.35	281,447.35	302,894.70
11/01/2020	-	-	19,835.35	19,835.35	19,835.35	-
05/01/2021	263,000.00	1.420%	19,835.35	282,835.35	282,835.35	302,670.70
11/01/2021	-	-	17,968.05	17,968.05	17,968.05	-
05/01/2022	267,000.00	1.650%	17,968.05	284,968.05	284,968.05	302,936.10
11/01/2022	-	-	15,765.30	15,765.30	15,765.30	-
05/01/2023	272,000.00	1.880%	15,765.30	287,765.30	287,765.30	303,530.60
11/01/2023	-	-	13,208.50	13,208.50	13,208.50	-
05/01/2024	277,000.00	2.090%	13,208.50	290,208.50	290,208.50	303,417.00
11/01/2024	-	-	10,313.85	10,313.85	10,313.85	-
05/01/2025	282,000.00	2.250%	10,313.85	292,313.85	292,313.85	302,627.70
11/01/2025	-	-	7,141.35	7,141.35	7,141.35	-
05/01/2026	289,000.00	2.380%	7,141.35	296,141.35	296,141.35	303,282.70
11/01/2026	-	-	3,702.25	3,702.25	3,702.25	-
05/01/2027	295,000.00	2.510%	3,702.25	298,702.25	298,702.25	302,404.50
<b>Total</b>	<b>\$2,967,000.00</b>	<b>-</b>	<b>\$366,072.84</b>	<b>\$3,333,072.84</b>	<b>\$3,332,515.44</b>	<b>-</b>

## Parowan City, Utah

\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

### Gross Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	Old D/S	Savings	Fiscal Total
04/15/2016	-	-	-	(557.40)	(277,020.75)	(276,463.35)	-
05/01/2016	-	-	-	-	277,020.75	277,020.75	557.40
11/01/2016	-	-	27,765.09	27,765.09	38,480.25	10,715.16	-
05/01/2017	250,000.00	1.090%	25,498.55	275,498.55	278,480.25	2,981.70	13,696.86
11/01/2017	-	-	24,136.05	24,136.05	36,740.25	12,604.20	-
05/01/2018	255,000.00	0.980%	24,136.05	279,136.05	280,740.25	1,604.20	14,208.40
11/01/2018	-	-	22,886.55	22,886.55	34,788.25	11,901.70	-
05/01/2019	257,000.00	1.120%	22,886.55	279,886.55	281,788.25	1,901.70	13,803.40
11/01/2019	-	-	21,447.35	21,447.35	32,503.50	11,056.15	-
05/01/2020	260,000.00	1.240%	21,447.35	281,447.35	284,503.50	3,056.15	14,112.30
11/01/2020	-	-	19,835.35	19,835.35	30,046.50	10,211.15	-
05/01/2021	263,000.00	1.420%	19,835.35	282,835.35	287,046.50	4,211.15	14,422.30
11/01/2021	-	-	17,968.05	17,968.05	27,348.00	9,379.95	-
05/01/2022	267,000.00	1.650%	17,968.05	284,968.05	289,348.00	4,379.95	13,759.90
11/01/2022	-	-	15,765.30	15,765.30	24,269.50	8,504.20	-
05/01/2023	272,000.00	1.880%	15,765.30	287,765.30	293,269.50	5,504.20	14,008.40
11/01/2023	-	-	13,208.50	13,208.50	20,570.75	7,362.25	-
05/01/2024	277,000.00	2.090%	13,208.50	290,208.50	296,570.75	6,362.25	13,724.50
11/01/2024	-	-	10,313.85	10,313.85	16,361.75	6,047.90	-
05/01/2025	282,000.00	2.250%	10,313.85	292,313.85	300,361.75	8,047.90	14,095.80
11/01/2025	-	-	7,141.35	7,141.35	11,462.75	4,321.40	-
05/01/2026	289,000.00	2.380%	7,141.35	296,141.35	305,462.75	9,321.40	13,642.80
11/01/2026	-	-	3,702.25	3,702.25	6,023.75	2,321.50	-
05/01/2027	295,000.00	2.510%	3,702.25	298,702.25	311,023.75	12,321.50	14,643.00
<b>Total</b>	<b>\$2,967,000.00</b>	<b>-</b>	<b>\$366,072.84</b>	<b>\$3,332,515.44</b>	<b>\$3,487,190.50</b>	<b>\$154,675.06</b>	<b>-</b>

### PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	414,700.89
Transfers from Prior Issue Debt Service Fund	(277,020.75)
Contingency or Rounding Amount	557.40
<b>Net Present Value Benefit</b>	<b>\$138,237.54</b>
Net PV Benefit / \$3,167,000 Refunded Principal	4.365%
Net PV Benefit / \$2,967,000 Refunding Principal	4.659%

### Refunding Bond Information

Refunding Dated Date	4/15/2016
Refunding Delivery Date	4/15/2016

## Parowan City, Utah

\$2,967,000 Electric Revenue Refunding Bonds

Series April 15, 2016

(Refunding 2013 Electric Revenue Bonds; Level Savings)

### Current Refunding Escrow

Date	Rate	+Transfers	Receipts	Disbursements	Cash Balance	Fiscal Total
04/15/2016	-	277,020.75	3,203,463.35	3,203,463.35	-	-
05/01/2016	-	-	-	-	-	3,203,463.35
<b>Total</b>	-	<b>\$277,020.75</b>	<b>\$3,203,463.35</b>	<b>\$3,203,463.35</b>	-	-

### Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted
Cost of Investments Purchased with Fund Transfers	277,020.75
Cash Deposit	2,926,442.60
Total Cost of Investments	\$3,203,463.35
Target Cost of Investments at bond yield	\$2,926,442.60
Yield to Receipt	-
Yield for Arbitrage Purposes	1.9759990%

Parowan City, UT (Scenario 2)  
Electric Revenue Refunding Bonds, Series 2016

Calendar of Events

\$2,900,000\*

as of Thursday, February 25, 2016



February 2016

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

March 2016

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

April 2016

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Day	Date	Event	Responsibility
Thursday	February 25	City gives preliminary approval to proceed with financing.	CM
Friday	March 4	Bond Counsel distributes draft Super Parameters Resolution to the working group.	BC
Tuesday	March 8	Super Parameters Resolutions is placed on City Council Agenda for Thursday, March 10, 2016.	BC, CM
Thursday	March 10	Regular City Council meeting to adopt Super Parameters Resolution.	CC, CM
Friday	March 11	"Notice of Bonds To Be Issued" is sent to the Utah Public Meeting Notice website.	CM
Friday	March 11	"Notice of Bonds To Be Issued" is delivered to <i>The Spectrum</i> for publication.	BC, CM
Monday	March 14	Request for Bids sent out to investment community.	FA
Tuesday	March 15	Publication of "Notice of Bonds To Be Issued" published in <i>The Spectrum</i> . (Begins 30-day contest period)	Newspaper
Monday	March 28	Request for Bids due.	
Wednesday	March 30	Selection of Direct Purchaser.	FA, CM
Monday	April 4	Closing documents are distributed to working group.	BC
Thursday	April 14	30-day contest period expires.	
Tuesday	April 19	Closing: delivery of funds (Bond Counsel, Time TBD).	ALL

## LGEND

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BC	Bond Counsel.....	Blaisdell, Church & Johnson, LLC
CA	City Attorney.....	Justin Wayment
CC	City Council.....	Parowan City Council
CM	City Manager.....	Shayne Scott
DP	Direct Purchaser.....	TBD
FA	Financial Advisor.....	Zions Public Finance Inc.
T	Trustee.....	Zions Bank Corporate Trust

**Parowan City, UT (Scenario 1)**  
**Electric Revenue Refunding Bonds, Series 2016**

**Calendar of Events**

**\$2,967,000**

as of Thursday, February 25, 2016



**February 2016**

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29					

**March 2016**

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

**April 2016**

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
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Thursday	April 14	30-day contest period expires.	
Tuesday	April 15	Closing: delivery of funds (Bond Counsel, Time TBD).	ALL

**LGEND**

BC	Bond Counsel.....	Blaisdell, Church & Johnson, LLC
CA	City Attorney.....	Justin Wayment
CC	City Council.....	Parowan City Council
CM	City Manager.....	Shayne Scott
DP	Direct Purchaser.....	ZB, N.A. dba Zions Bank
T	Trustee.....	Zions Bank Corporate Trust

## OPERATIONS TRANSFER AGREEMENT

THIS OPERATIONS TRANSFER AGREEMENT (this "Agreement") is made and entered into as of February \_\_, 2016 (the "Effective Date"), by and among TRADITIONS HEALTHCARE, INC. a Utah corporation ("Current Operator"), and PAROWAN CITY, a body politic (the "New Operator").

### RECITALS

- A. Current Operator holds a valid and current licenses to operate the Iron County Nursing Home which is located in the city of Parowan (the "Facility").
- B. New Operator, by way of a purchase or a long-term lease has obtained the ownership and/or control of the Facility, as well as all personal property located thereon.
- C. The commencement of the lease/purchase and the transfer of operations contemplated hereby are scheduled to occur simultaneously.
- D. Current Operator and New Operator desire to document certain terms and conditions relevant to the orderly transition of operational and financial responsibility for the Facility from Current Operator to New Operator.

NOW, THEREFORE, in consideration of the premises and the mutual covenants of the parties set forth herein, it is hereby agreed:

### AGREEMENT

#### 1. TRANSFER OF OPERATIONS.

1.1 Transfer of Operations. Current Operator agrees to convey, assign and deliver to New Operator the Assets and all of Current Operator's right, title and interest in and to the business operations of the Facility, effective as of the March 15, 2016 (the "Transfer Date"). From the date hereof until the Transfer Date, or the termination of this Agreement, Current Operator agrees to operate the Facility as a going concern and in substantial compliance with all laws, statutes, orders and regulations applicable to, and/or necessary for the lawful operation of, the Facility and maintenance of licensure and provider certifications, and agrees not to refuse admissions or remove any patient from the Facility prior to the Transfer Date except for valid medical and other lawful reasons or as would otherwise occur in the normal course of operating of the Facility. CURRENT OPERATOR IS ONLY TRANSFERRING CERTAIN OPERATING ASSETS OF THE FACILITY AND, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, CURRENT OPERATOR IS NOT ASSIGNING TO NEW OPERATOR, NOR IS NEW OPERATOR ASSUMING FROM CURRENT OPERATOR, ANY LIABILITY FOR CLAIMS, COSTS, EXPENSES, CONTRACTUAL ARRANGEMENTS, DUTIES OR OBLIGATIONS, CURRENT OPERATOR'S GENERAL, PROFESSIONAL AND OTHER OPERATIONAL LIABILITIES, ERRORS OR OMISSIONS, OR OTHER DUTIES, OBLIGATIONS OR LIABILITIES OF CURRENT OPERATOR, ITS AFFILIATES OR ITS PREDECESSORS-IN-INTEREST, WHETHER KNOWN OR UNKNOWN, CONTINGENT

OR OTHERWISE, ARISING FROM OR RELATED IN ANY WAY TO THE OPERATION OF THE FACILITY PRIOR TO THE TRANSFER DATE (COLLECTIVELY, "EXCLUDED LIABILITIES").

1.2 Best Efforts. In consideration for the agreements of Current Operator set forth herein, and the full and faithful performance of all of Current Operator's covenants hereunder, New Operator agrees to proceed with all reasonable diligence to (a) obtain a license to operate the Facility from DHS, (b) apply for and accept assignment of the Medicare Provider Agreement to New Operator pursuant to all applicable laws and regulations, and (c) obtain a Medicaid provider agreement in the name of the New Operator, pursuant to all applicable laws and regulations.

1.3 Cooperation. Each party agrees to cooperate with the other in effecting a change of ownership of the Facility for purposes of licensing and provider certification in order to ensure the continuous and uninterrupted operation of the Facility as a licensed skilled nursing facility including the execution of any documents and the surrender of the existing License and provider agreements, that may be necessary or desirable to effect the orderly and uninterrupted transition of the License, provider agreements and other certifications to New Operator. Current Operator agrees not to take any action or commit any omission that would result in the termination or suspension of the existing License or provider agreements.

1.4 State Survey & Citations. Current Operator hereby covenants to notify New Operator in writing (i) of the occurrence of a survey at the Facility within one business days (but in any case prior to the Transfer Date) of any such survey at the Facility, (ii) of the communications from any state surveyor during the exit interview within one business day (but in any case prior to the Transfer Date) and (iii) of any citations or deficiencies identified in a survey report or form CMS-2567 related to the Facility within one business day of the receipt thereof (but in any case prior to the Transfer Date).

1.5 Change of Ownership. Current Operator and New Operator acknowledge and agree that in connection with the issuance of the License to New Operator, DHS may conduct a change of ownership survey of the Facility and that Current Operator shall be solely responsible for all such costs incurred in connection therewith, including any fines, penalties, citations, plans of correction, judgments, order or other directive relating to the operation of the Facility prior to the Transfer Date.

## 2. TRANSFER OF OPERATING ASSETS.

2.1 Inventory. Current Operator agrees to transfer and convey the Inventory in place free of all liens and encumbrances to Current Operator on the Transfer Date. Current Operator agrees to maintain the Inventory at least at statutorily-required levels (or if the State has no such requirement, then at least at normal operating levels) at all times up to and including the Transfer Date. Current Operator shall have no obligation to deliver the Inventory to any location other than the Facility, it being understood and agreed that the presence of the Inventory at the Facility on the Transfer Date shall constitute delivery thereof.

2.2 Furnishings, Fixtures and Equipment. Current Operator and New Operator acknowledge and agree that, except for the Excluded Assets, FF&E is the property of Current Operator. Current Operator agrees not to remove any FF&E from the Facility without the prior consent of

New Operator, other than (i) the Excluded Assets and (ii) items of FF&E that are replaced with items with similar or better quality and utility or removed because they are no longer used or useful in the operation of the Facility. In the event any such permitted removal by Current Operator results in damage to the Facility, Current Operator shall repair that damage. Current Operator shall have no obligation to deliver the FF&E to any location other than the Facility, it being understood and agreed that the presence of the FF&E at the Facility on the Transfer Date shall constitute delivery thereof.

2.3 Computer Systems. In order to facilitate uninterrupted operation of the Facility after the Transfer Date, Current Operator and New Operator shall reasonably cooperate in the transfer of electronic records. Without limiting the foregoing, Current Operator shall, at no charge to New Operator, for a period of up to sixty (60) days after the Transfer Date, (i) make available to New Operator through a computer at the Facility access to current records relating to the operations of the Facility and the care of Facility residents and (ii) make available to New Operator access to data or records relating to the past operation of the Facility whether currently held onsite or stored offsite as reasonably required by New Operator in order to operate the Facility, respond to survey requests from DHS and care for current residents. All such records transfers shall be in compliance with applicable laws, including HIPAA, and conducted in a manner which does not jeopardize the health, care or welfare of the Facility's residents.

2.4 Medicare and Medicaid Provider Numbers. Current Operator and New Operator acknowledge and agree that, pursuant to 42 C.F.R. §§ 442.14(a) and 489.18(c), Current Operator's Medicare Provider Agreement will be automatically assigned to New Operator by CMS. Accordingly, Current Operator agrees that it will assign its Medicare Provider Agreement and its rights thereunder to New Operator, and further agrees to promptly provide such letters, consents, verifications, information and other documents required by applicable law or regulation to CMS, any fiscal intermediary, DHS, and any other governmental and/or regulatory authority having jurisdiction of the Facility, the License, the Medicare Provider Agreement, or New Operator, or as may be reasonably requested, to effectuate the assignment of the Medicare Provider Agreement and the issuance of "tie-in notices" and to effectuate the issuance of a new Medicaid provider agreement to New Operator; provided however that as long as Current Operator materially complies with the foregoing, Current Operator shall have no liability whatsoever to New Operator or otherwise in the event that (i) CMS does not approve and/or recognize the assignment of the Medicare Provider Agreement, or (ii) the State Medicaid program or agency does not issue to New Operator a new Medicaid provider agreement. Current Operator acknowledges and agrees that, in accordance with all applicable law and regulation, New Operator may bill Medicare for services furnished to Facility residents who qualify as Medicare beneficiaries from and after the Transfer Date, utilizing the provider number issued to Current Operator under the assigned Medicare Provider Agreement. Current Operator and New Operator shall reasonably cooperate to timely transfer all Post-Transfer Accounts in a manner consistent with Section 4.2 of this Agreement. Current Operator agrees to cooperate in obtaining all necessary documentation reasonably requested by New Operator, CMS or its fiscal intermediary and/or third party payors or banking institutions to direct such transfers; provided, however, that New Operator agrees that Current Operator shall not have any liability or obligation with respect to New Operator's utilization of such provider numbers.

2.5 General Intangibles. General Intangibles used or held in connection with the operation of the business in the Facility shall be transferred to New Operator on the Transfer Date by

execution and delivery of the Bill of Sale. Current Operator agrees to cease all usage of the Trade Name from and after the Transfer Date (except as required by law) and to file an abandonment of such fictitious business name to the extent necessary to relinquish its rights therein, provided, however, that Current Operator shall have the right to continue to use the Trade Name in connection with the following: (a) any existing employee benefit plan (b) collecting Pre-Transfer Accounts; (c) resolving any disputes that may arise regarding Pre-Transfer Accounts; and (d) otherwise winding up of its affairs and business with respect to the Facility.

2.6 Excluded Assets. The Excluded Assets are not included in this transaction and shall be retained by or delivered to Current Operator in accordance with the terms, conditions, and procedures, including without limitation proration procedures, of this Agreement

### 3. RECEIVABLES AND REIMBURSEMENTS.

3.1 Current Operator's Cost Reports. Current Operator shall timely prepare and file with CMS and the State Medicaid agency its cost reports for the fiscal year ending immediately preceding the fiscal year in which the Transfer Date occurs, and for any stub period and final cost reports up to the Transfer Date in respect to its operation of the Facility which are required to be filed by law and applicable regulations under the terms of the Medicare and Medicaid programs. Current Operator will provide the appropriate agencies with any information needed to support claims for reimbursement made by Current Operator either in such final cost reports or in any cost reports filed for prior or subsequent cost reporting periods. Current Operator shall promptly provide New Operator with copies of such reports and supporting documentation. In the event Current Operator fails to timely, accurately or completely file any cost report for the Facilities, New Operator shall have the right but not the responsibility, and Current Operator hereby irrevocably appoints New Operator as its agent and attorney in-fact for such purpose, to prepare, file, and otherwise process such cost reports for Current Operator's name and behalf and at Current Operator's expense. If New Operator elects to prepare, file, complete, correct and/or process any such report, it shall do so without any legal liability for any errors or omissions therein, and Current Operator hereby forever releases, waives, and discharges New Operator from any liability, known or unknown, for its handling of any cost report hereunder.

#### 3.2 Accounts Receivable.

3.2.1 Schedule of Pre-Transfer Accounts. Current Operator shall deliver to New Operator not less than fifteen (15) days prior to the Transfer Date, a complete, correct patient/resident roster with account status, responsible party, payor source and aging as of the most recent practicable date and shall update such roster as of the Transfer Date at the earliest practicable date following the Transfer Date.

3.2.2 Pre-Transfer Accounts Receivable. Current Operator shall retain its right, title and interest in and to all unpaid Pre-Transfer Accounts, including but not limited to accounts receivable arising from rate adjustments which relate to periods prior to the Transfer Date even if such adjustments occur after the Transfer Date, and Current Operator shall remain liable for any overpayments (including without limitation recapture of pass-throughs) made to Current Operator for periods prior to the Transfer Date for which payment is due to (or for which subsequent reimbursements are offset or denied by) Medicare, Medicaid or any other third party payor after the Transfer

Date. Current Operator agrees to timely and properly bill and collect all such Pre-Transfer Accounts. Current Operator and New Operator agree that the “pay to” address for Medicare and Medicaid payments shall continue to be the Facility address. Current Operator further agrees to authorize New Operator to endorse checks made payable to “Evergreen Nursing & Rehab” or any similar names or payees, and deposit same in New Operator’s account, subject to New Operator’s complying with the accounting, notification, distribution and other provisions of this Agreement with respect to Pre-Transfer Accounts.

3.2.3 Post-Transfer Accounts. As of the Transfer Date, Current Operator hereby irrevocably assigns to New Operator any and all interest it may have in the Post-Transfer Accounts with the authority and power to bill and collect same, and disclaims all right, title and interest therein and thereto.

3.3 Handling of Receipts by New Operator. Payments received by New Operator after the Transfer Date from third party payors, such as Medicare, Medicaid, VA, managed health organizations and insurers, shall be handled as follows:

3.3.1 To the extent such payments either specifically indicate on the accompanying remittance advice, or if the parties agree, that they relate to periods prior to the Transfer Date, Current Operator’s portion shall be forwarded to Current Operator by New Operator, along with a copy of the applicable remittance advice, within ten (10) business days after receipt thereof; and to the extent such payments indicate on the accompanying remittance advice, or if the parties agree, that they relate to periods on or after the Transfer Date, they shall be retained by New Operator.

3.3.2 If such payments fail to indicate the period to which they relate, then all such unidentified payments received within ninety (90) days following the Transfer Date shall be deemed to relate first to the covered patient’s unpaid Pre-Transfer Accounts (if any). All unidentified payments received thereafter shall be deemed to relate first to Post-Transfer Accounts.

3.4 Handling of Receipts by Current Operator. Payments received by Current Operator after the Transfer Date from third party payors, such as Medicare, Medicaid, VA, managed health organizations and insurers, if any, shall be handled as follows:

3.4.1 To the extent such payments indicate on the accompanying remittance advice, or if the parties agree, that they relate to periods prior to the Transfer Date, they shall be retained by Current Operator; and to the extent such payments indicate on the accompanying remittance advice, or if the parties agree, that they relate to periods on or after the Transfer Date, they shall be forwarded to New Operator by Current Operator, along with a copy of the applicable remittance advice, within ten (10) business days after receipt thereof; and

3.4.2 If such payments fail to indicate the period to which they relate, then all such unidentified payments received within ninety (90) days following the Transfer Date shall be deemed to relate first to the covered patient’s unpaid Pre-Transfer Accounts (if any). All unidentified payments received thereafter shall be deemed to relate first to Post-Transfer Accounts.

3.5 Private Pay. Any payments received by either party from or on behalf of private pay patients (including without limitation self-pay, HMO and other private insurance payors) shall be treated in the same manner as described in Section 3.2.3 and 3.3.2 above; provided that any payment received by either party during the first ninety (90) days after the Transfer Date for a private pay patient or resident, which fails to designate the period to which it relates, will first be applied to reduce the patient's Pre-Transfer Account balances (if any). All unidentified payments received thereafter shall be deemed to relate first to Post-Transfer Accounts.

3.6 Offset. Without limiting any other rights or remedies of the parties under this Agreement, (i) New Operator shall have the right to offset against any payment that is due and owing to New Operator from Current Operator under the terms of this Agreement, and (ii) Current Operator shall have the right to offset against any such payments any amounts that are due and owing to it from New Operator under the terms of this Agreement; provided that in all cases the offsetting party shall promptly notify the other in writing of the offset and the reason therefor. For the avoidance of doubt, New Operator shall have the right to offset rent payable to Current Operator under the terms of the Lease against any payment that is due and owing to New Operator from Current Operator under the terms of this Agreement (including, without limitation, Current Operator's indemnification obligations).

3.7 Misapplication of Payments. In the event that any payment hereunder is misapplied by the parties, except as otherwise provided herein, the party which erroneously received said payment shall remit the same to the other within ten (10) days after such determination is made.

3.8 Cooperation in Processing of Claims. If necessary, New Operator and Current Operator agree to provide each other, upon request and in a timely manner, with copies of all Medicare and Medicaid reimbursement requests pertaining to the Facility submitted to any Medicare or Medicaid fiscal intermediary whether before or after the Transfer Date. Each party agrees to take all reasonable steps to assist the other in processing Medicare and Medicaid claims and obtaining Medicare and Medicaid payments for services rendered (i) in the case of New Operator, from and after the Transfer Date, and (ii) in the case of Current Operator, prior to the Transfer Date. The party being assisted agrees to reimburse the party rendering assistance for any reasonable documented out-of-pocket expenses incurred by the assisting party in rendering such assistance.

3.9 Access. For the period of 180 days following the Transfer Date, after providing advance notice to New Operator in each instance, Current Operator and its agents and representatives shall have reasonable access during business hours to such medical records, resident contracts, patient status reports, medical necessity documentation, services documentation, account documentation, remittance advice documentation, Nursing Services Statements (CMS-3616), and other documents and records as reasonably necessary to confirm the division of the accounts receivable, payments or accounts payable, to facilitate billing and collection of Current Operator's receivables, to handle any of Current Operator's accounts payable or reconcile any financial information.

3.10 Overpayment Claims. In the event that federal or state agencies or any private insurer or other payor making payments to Current Operator for services performed on or prior to Transfer Date make any claim for fines, civil money penalties, recoupment of fraudulent charges or overpayments (including without limitation recapture of pass-throughs) occurring for any such period, then Current Operator agrees to save, indemnify, defend and hold New Operator

harmless for, from and against any and all loss, damage, injury or expense incurred by New Operator because of any such claim, and Current Operator shall promptly reimburse New Operator for the full amount of any such claim, offset, chargeback or other attempted recovery of such fraud and overpayments upon demand. In the event Current Operator successfully appeals any such overpayment claim and New Operator receives funds or credits as result thereof, New Operator shall promptly remit to Current Operator the full amount of any such funds or credits.

#### 4. EMPLOYEES.

4.1 Current Employees. Current Operator shall deliver the Employee Schedule to New Operator not less than fifteen (15) days prior to the Transfer Date, and shall update such Employee Schedule three (3) business days before the Transfer Date. New Operator acknowledges that Current Operator may make reasonable personnel changes up to the Transfer Date. Current Operator agrees not to give any Facility employee a salary or wage increase prior to the Transfer Date without New Operator's written consent, except in normal course of business.

4.2 Status of Employees. Current Operator shall terminate the employment of each Facility employee as of the Transfer Date (except for those employees who are leased or otherwise provided to the Facility by a third party under a management agreement or similar arrangement). Current Operator agrees to issue and deliver final payroll checks, including all sums due for accrued Benefits as required by applicable State and federal laws and Current Operator's existing policies and procedures, to the Facility's employees in accordance with the requirements of applicable State and federal laws, and to timely and fully pay all payroll taxes and similar obligations due in connection therewith. Current Operator agrees to indemnify, defend and hold New Operator harmless for, from and against any and all claims, suits, actions, proceedings, costs, fees, and other liabilities arising from or in connection with the non-payment, untimely payment, or incomplete or inaccurate payment to Facility employees for wages, Benefits and other sums due employees for pre-Transfer Date periods.

4.3 Hiring of Employees. On the Transfer Date, New Operator shall use commercially reasonable efforts to (a) employ as much of the personnel employed by Current Operator at the Facility as of the day prior to the Transfer Date as reasonable possible, whether such employees are in active or inactive status, on an "at-will" basis, and (b) offer Rehired Employees positions performing comparable services and at substantially the same base wage as such Rehired Employees enjoyed prior to the Transfer Date.

4.4 Employee Records. Current Operator shall allow New Operator to retain Current Operator's employee files for Rehired Employees, including without limitation originally executed employee applications and original Form I-9s, for a period of ninety (90) days from the Transfer Date, or until New Operator has obtained new employee applications and I9s; immediately thereafter New Operator shall deliver the original documents to Current Operator; provided that, during such retention period, New Operator shall allow Current Operator reasonable access, upon prior notice and during normal business hours, to such employee files and the ability to copy the same, as Current Operator may require in its reasonable discretion.

4.5 Employment Claims and Complaints. Current Operator represents that the Current Operator is unaware of any pending and threatened Employment Claims, resulting from the

consummation of the transaction contemplated by this Agreement or otherwise. Current Operator acknowledges that New Operator is not assuming any liability for pending, or threatened or other pre-transfer Employment Claims, and (i) New Operator hereby disclaims any and all liability for all Employment Claims arising from or in connection with the employment of any Facility employee prior to the Transfer Date, and (ii) Current Operator hereby agrees to indemnify, defend and hold New Operator harmless for, from and against any and all Employment Claims arising from or in connection with the employment of any Facility employee prior to the Transfer Date.

## 5. PRORATIONS.

5.1 Prorations. Revenues and expenses pertaining to Assumed Operating Contracts, water, electricity, sewer, gas, telephone and other charges for the billing period(s) in which the Transfer Date occurs, real and personal property taxes, prepaid expenses and other related items of revenue or expense attributable to the Facility that are not otherwise prorated under the Lease shall be prorated between Current Operator and New Operator as of the Transfer Date. In general, prorations shall be made so as to reimburse Current Operator for prepaid expense items to the extent that the same are attributable to periods on and after the Transfer Date, and to charge Current Operator for prepaid revenue items and accrued or incurred but unpaid expenses to the extent that the same are attributable to periods prior to the Transfer Date. The intent of this provision shall be implemented by New Operator remitting to Current Operator any invoices which reflect a service or delivery date before the Transfer Date and by New Operator assuming responsibility for the payment of any invoices which reflect a service or delivery date on and after the Transfer Date. In the event any invoice relates to services rendered or products delivered both before and on or after the Transfer Date, New Operator shall forward a copy of the invoice and notify Current Operator as to the charges for which Current Operator is responsible and Current Operator shall pay any amount not in dispute and identify any disputed amount within thirty (30) days after notice is given. In the event New Operator believes that Current Operator has failed to timely pay amounts due for products or services received prior to the Transfer Date and that such nonpayment threatens the availability of goods or services to the Facility, then New Operator shall notify Current Operator, and Current Operator shall pay any undisputed amount and notify New Operator of any amount which is in dispute within ten (10) days after notice is given. If Current Operator fails to make payment or identify a payment dispute then New Operator may pay the amount due, and Current Operator shall reimburse New Operator for the amount paid upon demand. If an amount is in dispute, then Current Operator shall diligently pursue a resolution with the vendor or contractor.

5.2 Calculation. All such prorations shall be based on the most recent information available. Without limiting the foregoing, water, electricity, sewer, gas, telephone and other utility charges shall be based, to the extent practicable, on final meter readings and invoices covering the period of time through the Transfer Date. Utility charges which are not metered and read on the Transfer Date shall be estimated based on prior charges, and shall be re-prorated upon receipt of statements therefor, on the basis of actual days elapsed in the relevant period.

5.3 Adjustments. All amounts owing from one party hereto to the other party hereto that require adjustment after the Transfer Date shall be settled within sixty (60) days after the Transfer Date or, in the event the information necessary for such adjustment is not available within said sixty (60) day period, then as soon thereafter as practicable.

6. RECORDS.

6.1 Delivery of Records. On the Transfer Date, Current Operator shall deliver to New Operator all of the records of the Facility including, but not limited to, financial records, employee records and other relevant records used or developed in the operation of the Facility, all patient medical records (including access to electronic records), and all licenses, agreements, records, reports and information. With respect to patient information, such transfer and delivery shall be in accordance with all applicable laws, rules and regulations governing the transfer of medical and other patient records. Nothing herein shall be construed as precluding Current Operator from removing from the Facility on the Transfer Date the financial records that relate to its operations at the Facility and/or to its overall corporate operations and patient medical records for patients no longer at the Facility on the Transfer Date.

6.2 Access to Records. Subsequent to the Transfer Date, New Operator shall allow Current Operator and its agents and representatives to have reasonable access (upon reasonable prior notice and during normal business hours), to inspect and to make copies of, the books and records and supporting material of the Facility relating to the period prior to and including the Transfer Date, to the extent reasonably necessary to enable Current Operator to investigate and defend malpractice, employee or other claims, to file or defend cost reports and tax returns and to verify accounts receivable collections due Current Operator.

6.3 Removal. Current Operator shall be entitled to remove the originals of any records delivered to New Operator for purposes of litigation involving a patient or employee to whom such record relates, if (i) an officer of or counsel for Current Operator certifies that such original must be produced in order to comply with applicable law or the order of a court of competent jurisdiction in connection with such litigation, and (ii) Current Operator leaves a full and complete copy of such records in the Facility while the originals are in its possession. Any record so removed shall promptly be returned to New Operator following its use.

6.4 Survey Matters. Subsequent to the Transfer Date, Current Operator shall allow New Operator and its agents and representatives to have reasonable access, to inspect and to make copies of, the patient medical records relating to the period prior to the Transfer Date, to the extent reasonably necessary to enable New Operator to respond to survey inquiries or other operation matters on or after the Transfer Date.

6.5 Maintenance. New Operator agrees to maintain such books, records and other material comprising records of the Facility's operations prior to the Transfer Date that have been received by New Operator from Current Operator or otherwise, including, but not limited to, patient records and records of patient funds, to the extent required by law, but in no event less than three (3) years or the minimum period required by any applicable statute of limitations in force as of the Transfer Date, whichever is greater, and shall allow Current Operator a reasonable opportunity to remove such documents, at Current Operator's expense, at such time as New Operator shall decide to dispose of such documents.

## 7. OPERATING AGREEMENTS.

7.1 Operating Contracts. Prior to the execution of this Agreement, Current Operator has delivered to New Operator true and complete copies of all Operating Contracts. As of such date, there will be no material Operating Contracts, oral or written, which have not been disclosed to New Operator. The Assumed Operating Contracts are in full force and effect and have not been modified, altered or amended in any way. At Closing, Current Operator will assign, and New Operator will assume and agrees to be bound by all of the terms and conditions of, the Assumed Operating Contracts from and after the Transfer Date.

7.2 Equipment Financing and Leases. Current Operator and New Operator acknowledge and agree that Current Operator has disclosed to the New Operator a list of any FF&E that is leased or otherwise encumbered under the terms of the equipment leases or equipment financing contracts. Current Operator represents and warrants that there are no outstanding liens, leases or other encumbrances affecting the Facility or any of the FF&E that have not been disclosed to New Operator. New Operator shall only assume (subject to the consent of the respective lessor or lender) and be responsible for payments and other charges accruing on the equipment leases and other equipment financing documents expressly agreed to by the New Operator on or before the Transfer Date.

## 8. INDEMNIFICATION.

8.1 Current Operator. Without limiting its other obligations and duties hereunder, Current Operator shall indemnify, defend and hold New Operator, and its officers, managers employees, and members (collectively, the "New Operator Indemnified Parties"), harmless from and against any and all claims, losses, expenses, damages, obligations, deficiencies, or liabilities of any kind, including without limitation costs of investigation, interest, penalties, reasonable attorneys' fees, and any and all costs, expenses, and fees incident to any suit, action or proceeding, incurred, sustained or suffered by the New Operator Indemnified Parties which arise out of, result from or are related to any and all obligations and liabilities relating to the ownership and the operation of the Facilities by Current Operator related to events that occurred as a result of the acts or omissions of Current Operator prior to the Transfer Date, even if not asserted until after the Transfer Date.

8.2 New Operator. New Operator shall indemnify, defend and hold Current Operator, and their respective officers, directors, employees, shareholders and affiliates (the "Seller Indemnified Parties"), harmless for, from and against any and all claims, losses, expenses, damages, obligations, deficiencies, or liabilities of any kind, including without limitation costs of investigation, interest, penalties, reasonable attorneys' fees, and any and all costs, expenses, and fees incident to any suit, action or proceeding, incurred, sustained or suffered by the Seller Indemnified Parties which arise out of, result from or are related to New Operator's operation of the Facility on and after the Transfer Date.

## 9. DEFAULT AND REMEDIES.

Notwithstanding anything contained herein to the contrary, in the event of a default by either party hereunder, the other party shall have all remedies available to it at law, in equity and under

this Agreement, which remedies shall be cumulative and not exclusive, and which remedies may be pursued singly, successively or simultaneously with any others.

10. MISCELLANEOUS.

10.1 Assignment. New Operator may not assign this Agreement to any other party or parties and any such attempted assignment will be void, except that upon written notice to Current Operator, this Agreement may be assigned to an entity owned by New Operator or that is wholly owned by the owners of New Operator.

10.2 Further Assurances. Each of the parties hereto agrees to execute and deliver any and all further agreements, documents or instruments necessary to effectuate this Agreement and the transactions referred to herein or contemplated hereby or reasonably requested by the other party to perfect or evidence their rights hereunder.

10.3 Expenses. Each of the parties shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement.

10.4 Notices. All notices, requests, demands and other communications required under this Agreement shall be in writing and shall be deemed duly given and received (i) if personally delivered, on the date of delivery, (ii) if mailed, three (3) days after deposit in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as provided below, (iii) if by a courier delivery service providing overnight or "next-day" delivery, on the next business day after deposit with such service for next business day delivery, or (iv) if delivered by facsimile, deemed given upon confirmed receipt, if received during business hours of the recipient, or deemed given on the next business day after confirmed receipt, if received after business hours of the recipient, addressed as follows:

Current Operator:

New Operator:

TRADITIONS HEALTHCARE, INC.

PAROWAN CITY

Attn: John Bramall

Attn:

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10.5 Applicable Law; Jurisdiction. This Agreement and the rights of the parties hereto shall be governed and construed in accordance with the laws of the State of Utah without regard to conflict of laws. Except in respect of an action commenced by a third party in another jurisdiction, the parties agree that any legal suit, action or proceeding arising out of or relating to this Agreement must be instituted in a State or Federal court in Iron County, Utah and they hereby irrevocably submit to the jurisdiction of any such court.

10.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.7 Construction. This Agreement has been negotiated by and between Current Operator, Current Operator and New Operator in arms-length negotiations, and both parties are responsible for its drafting. Both parties have reviewed this Agreement with appropriate counsel, or have waived their right to do so, and the parties hereby mutually and irrevocably agree that this Agreement shall be construed neither for nor against either party, but in accordance with the plain language and intent hereof. The captions of paragraphs and subparagraphs of this Agreement have been inserted solely for the purposes of convenience and reference, and shall not control or affect the meaning or construction of any of the provisions of this Agreement.

10.8 Controversy. In the event of any controversy, claim or dispute between the parties arising out of or relating to this Agreement, the prevailing party or parties shall be entitled to recover from the non-prevailing party or parties its or their reasonable expenses, including, but not by way of limitation, reasonable attorneys' fees and costs of suit.

10.9 Waiver. Waiver by one party of the performance of any covenant, condition or promise of the other party shall not invalidate this Agreement, nor shall it be considered to be a waiver by such party of any other covenant, condition or promise contained herein. The waiver of either or both parties of the time for performing any act shall not be construed as a waiver of any other act required to be performed at a later date. No waiver of any provision of this Agreement shall be enforceable unless in writing, executed by the waiving party.

10.10 Severability. Should any part of this Agreement be declared invalid for any reason, such decision shall not affect or impair the validity of the remaining part or parts hereof, and this Agreement shall remain in full force and effect as to all parts not declared invalid or unenforceable as if the same had been executed with the invalid or unenforceable portion(s) thereof eliminated.

10.11 Entire Agreement. This Agreement and the Lease comprise the entire agreement between the parties hereto with respect to the subject matter hereof and shall be construed together. This Agreement may not be amended, modified or terminated except by written instrument signed by all of the parties hereto.

10.12 No Unintended Beneficiaries. This Agreement is solely between the parties hereto, and shall not create any right or benefit in any third party, including without limitation any creditor, agent, partner, employee or affiliate of Current Operator, Current Operator, or any entity or agency having jurisdiction of the License, the Facility or the operation of the business therein.

IN WITNESS WHEREOF, the parties hereby execute this Agreement as of the day and year first set forth above.

New Operator:  
PAROWAN CITY

Current Operator:  
TRADITIONS HEALTHCARE, INC.

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
By:  
Its: