

BRIEFING

To: Summit County Council
From: Economic Development Committee
Report Date: May 22, 2012
Meeting Date: May 30, 2012
Subject: Quarterly Report

Executive Summary: At the conclusion of the December 7, 2011, briefing by the Economic Development Committee, the County Council asked the Committee to present quarterly updates on their progress towards meeting the four goals identified in the economic development strategy statements and County Strategic Plan.

Goal 1 Summit County Local On-Line Business Directory

- A data base of all licensed businesses in the cities and unincorporated County has been compiled.
- A letter will be sent to all businesses asking for a summary of the business, verifying the information, and offering an opt-out provision.
- A trial web-page has been created and will be demonstrated at the meeting.
- Presentation by: Karsten Moench

Goal 2 Economic Development Website for Summit County

- The Park City Area Chamber of Commerce is developing the website.
- It will be hosted by the County with links to and from other entities in the State and County, including the Park City Chamber, cities in the County, GOED and EDCUtah.
- Presentation by: Bill Malone

Goal 3 Conflict Between Job Growth & Quality of Life

- The Eastern Summit County Business Alliance has been established to deal with issues facing businesses in the eastern County.
- Two meetings have been scheduled. The North Summit meeting will be held on June 13, at the North Summit High School. The South Summit meeting will be held on June 21 at the South Summit High School.
- Letters have been drafted and will be sent to all businesses in the eastern County inviting their participation.
- Presentation by: DeAnn Geary

Goal 4 Propose Improvements on Regulations

- Summit County has applied for funding from the State of Utah BEAR (Business Expansion and Retention) Program to conduct interviews with a cross section of businesses County-wide.

- Through these interviews we will learn what the real impediments to business growth are.
- Presentation by : Alison Weyher

Next Steps - Projected Phase Two

The committee is seeking Council comments and direction on moving forward with the strategic issue of Economic Diversification.

- Identify impediments to business expansion in Summit County through interviews, meetings and mailings to stakeholders.
- Work with GOED and EDCUtah to counter perception that Summit County is not business friendly.
- Begin dialog with Summit County on specific challenges to business growth such as regulations, ordinances and fees.
- Develop measurements to calculate success of Committee's efforts.



Amir Caus
County Planner

STAFF REPORT

To: Summit County Council (SCC)
Report Date: Wednesday, May 23, 2012
Meeting Date: Wednesday, May 30, 2012
Author: Amir Caus, County Planner
Title: Light Industrial Zone, Code Amendments, Use Chart Amendments, and Zone Map Amendments
Type of Item: Work Session, Legislative
Future Routing: N/A

EXECUTIVE SUMMARY: The Eastern Summit County Planning Commission (ESCPC) has requested that Staff provide draft language for a new Light Industrial Zone to be incorporated into the Eastern Summit County Development Code (Code). With the new language, existing non-conforming businesses in the County may have the ability to continue their operation as legal conforming or permitted uses rather than as Non-Conforming uses, provided the parcels they are on are re-zoned. Additionally, the Code Use Chart would be amended to reflect the creation of the new Light Industrial zone and additional uses that were not addressed by the Code.

At this time, Staff is seeking input from the SCC on the newly proposed Light Industrial Zone and the proposed Code amendments. The subject item will return for future work sessions along with the proposed Cabin Zone language.

A. **Project Description**

- Project: Light Industrial Zone Code Amendments
- Applicant(s): Eastern Summit County Planning Commission
- Location: Eastern Summit County

B. **Community Review**

The notice for discussion of creation of the new Light Industrial zone, Use Chart / Definition amendments, and Zone Map amendments, have been published in the *Summit County News* as a work session. Since the proposed changes do not affect any specific property owners, no postcards were sent out. As of the date of the writing of this report, no public comment has been received.

C. **Background**

In early 2011 Rees's Metalworks applied for a re-zone to designate their operation as a conforming use. The Industrial zone was the closest described zone in the Code that would allow for the type of operations that Rees's conducts. The Staff, Applicant, and the ESCPC were concerned with the ramifications of potentially allowing other coincidental uses that are identified in the Industrial zone. After a discussion at the May

18, 2011 ESCPC Meeting about the appropriateness of an Industrial zone, the ESCPC decided that there are other businesses in the County that are similar to Rees's and that there should be a zoning designation that allows for some of the Industrial uses, but not all. The ESCPC directed Staff to reevaluate the language that was suggested and bring back language to create a new Light Industrial zone. ESCPC felt that if a general zone was created, the other businesses would likely wish to be appropriately zoned and drop the non-conforming title.

Project Background

In the time since the June 15, 2011 the Staff and the ESCPC have worked on revisions to the proposed amendments. During the process the ESCPC changed direction from a Light Industrial Zone to a Service Commercial Zone and back to a Light Industrial Zone.

At the March 21, 2012 work session, the ESCPC went through each use and the proposed language and felt comfortable enough to move forward with the public hearing process with the uses, definitions, language, and amendments as proposed in *Exhibits A, B, and C* of the Staff Report.

During the April 4, 2012 public hearing, the ESCPC forwarded a positive recommendation to the SCC for the proposed amendments.

D. Identification and Analysis of Issues

Proposed Changes

The proposed changes include the new Light Industrial Language, Use Chart amendments, Definition additions and amendments, removal of the Railroad Industrial zone and implementing it as a use in the Use Chart, and a Zone Map amendment to remove the Railroad Industrial Zone and replace it with the Industrial Zone.

Zone Code Language

Section 11-3-13 of the Code lists the uses that are allowed within each zone of the development district. The amended use chart in *Exhibit A* reflects the most recent discussions. The ESCPC and the Staff focused on ensuring that the proposed language and changes to the use chart, definitions, and zone language are compatible with the goals and intent of the proposed zoning change and to avoid unintended consequences.

Tax Ramifications

At the request of the ESCPC, Staff met with Summit County Assessor's Office and has confirmed the use of the land is the most important factor the Assessor's Office uses when determining the tax designation of a particular parcel. A zoning change would not necessarily cause an immediate change in tax status.

E. General Plan Consistency

There are a number of objectives and policies in the General Plan that Staff feels pertain to and support the creation of a new or Light Industrial zone.

3.1.6 POLICY: ...Maintain appropriate residential, commercial, and industrial zoning categories in the Development Code that effectively promotes all objectives of this Plan.

3.3.1 POLICY: Establish a Major Development review process in the Development Code under which all major development shall be reviewed. This process should represent an integration of site layout requirements and subdivision regulations. It should permit Summit County to direct all major residential, commercial and industrial development in a manner which protects actively farmed and ranched lands, clusters development, consolidates access, incorporates appropriate infrastructure standards based on location and proximity to existing County infrastructure and service areas, and preserves open space, wildlife habitat and other natural resources and scenic qualities.

3.4 OBJECTIVE:.... Allow appropriate land uses to be developed in Eastern Summit County that are consistent with the desired rural, agricultural character, but provide flexibility for other uses when they are found to be compatible and consistent with nearby uses and character in the specific area for which they are proposed.

7.2 OBJECTIVE: Encourage commercial and industrial activity that is compatible with Eastern Summit County's identity in order to enhance the County's valuation.

7.2.1 POLICY: Maintain the Commercial (C) and Industrial (I) zone districts in the Development Code.

7.2.2 POLICY: Establish flexible provisions in the Development Code that will permit appropriate commercial and industrial land uses at various locations within the unincorporated area of Eastern Summit County so long as:

- a. the specific use is consistent with the efficient use and development of adjacent lands given the zoning designation;
- b. the specific use is compatible and consistent with other nearby uses, will not affect, in a substantially adverse manner, the enjoyment of land in the vicinity of the propose use, including impacts related to but not necessarily limited to traffic, noise, light and privacy.
- c. the specific use will not substantially alter the essential character of the surrounding area; and
- d. the specific use will not substantially increase the danger of fire of otherwise endanger public safety, or substantially diminish or impair the values or property nearby.

F. **Findings/ Code Criteria and Discussion**

Section 11-5-3 of the Eastern Summit County Development Code requires that an approval of an amendment to the zone district map shall not be granted until both the ESCPC and SCC have reviewed the specific development proposal and determined:

- (1) The amendment complies with the goals of the General Plan;
As stated in Section E of the Staff Report, the General Plan calls for the Planning Commission and Staff to "Encourage commercial and industrial

activity that is compatible with Eastern Summit County's identity in order to enhance the County's valuation."

- (2) The amendment is compatible with adjacent land uses and will not be overly burdensome on the local community;
There are multiple uses in the Eastern Summit County that are non-conforming and with the creation of the new Light Industrial zone district may be able to become conforming through the new Light Industrial designation.
- (3) The specific development plan is in compliance with all applicable standards and criteria for approval as described in Chapter 4 of the Eastern Summit County Development Code; and
As this amendment was suggested and developed by the ESCPC and Staff, there is no specific development plan for any particular project. Staff recognizes that there are special uses which, because of their unique character and unusual impact upon the use and enjoyment of neighboring properties, cannot be properly classified in any particular zone district(s) without special review and consideration of those impacts upon neighboring lands and upon the public need for a particular use at a particular location. With the new Light Industrial language, many of the non-conforming uses could become conforming where expansions would be regulated through appropriate permits.
- (4) The amendment does not adversely affect the public health, safety and general welfare.
New applications will be approved on a case by case basis to mitigate impacts to public health, safety, and general welfare. Staff plans on discussing site specific properties in future meetings.

G. **Recommendation(s)/Alternatives**

Staff recommends that the SCC evaluate the proposed Light Industrial language, code amendments, and zone map amendments, in accordance with the Eastern Summit County Development Code and the Eastern Summit County General Plan. Staff further recommends that the SCC provide direction to the Staff to help guide the SCC in making a decision at a later scheduled public hearing.

Attachment(s)

Exhibit A – Proposed Use Chart

Exhibit B – Definitions

Exhibit C – Light Industrial Language

Exhibit D – Zoning Map

Exhibit E – March 21, 2012 and April 4, 2012 ESCPC Minutes

CHART OF ALLOWED AND ~~CONDITIONAL~~ PERMITTED USES*

<u>Permitted Uses</u>	<u>AP</u>	<u>AG-100</u>	<u>AG-160</u>	<u>CA</u>	<u>HC</u>	<u>C</u>	<u>LI</u>	<u>I</u>	<u>Additional Reference</u>
Accessory buildings and uses to the principal residential dwelling unit or subdivision, not to exceed 2,000 square feet.	A	A	A	A	A	L			
Accessory buildings and uses to the principal residential dwelling unit or subdivision, exceeding 2,000 square feet.	C	C	C	C	C	C			
Accessory Dwelling unit	L	L	L	L	<u>C</u>	L			Section 11-6-5
Agricultural Employee Dwelling unit	C	C	C		C				Section 11-6-5
Agricultural Employee Facility for the purpose of providing shelter for more than one family.	C	C	C		C				
Agriculture buildings and uses customarily associated with traditional agriculture operations as defined in Appendix A.	A	A	A		A	<u>L</u>			
Auto Impoundment Yard and towing services							<u>A</u>	C	
Automotive Sales						<u>L</u>			
Auto Repair, Service and Detailing						<u>L</u>	<u>A</u>		
Auto Wrecking Yard								C	
Banks and Financial Services						<u>C</u> <u>L</u>			
Bars, Taverns, Private Clubs						C			
Bed and Breakfast Inn.	C	<u>C</u>	C		C	<u>C</u> <u>L</u>			

EXHIBIT A.2

Permitted Uses	AP	AG-100	AG-160	CA	HC	C	LI	I	Additional Reference
Butcher, Retail						<u>C</u>	<u>L</u>		
Cemetery	C	C	C		C	C		<u>C</u>	
Child Care, In-home (4 children or less)	<u>L</u>	<u>L</u>	<u>L</u>		<u>L</u>				
Child Care, Family (fewer than 9 children)	<u>L</u>	<u>L</u>	<u>L</u>		<u>L</u>				
Child Care, Family (with 9–16 children) Daycare Facility	<u>CL</u>	<u>L</u>	<u>L</u>		<u>L</u>	<u>C</u>			
Child Care, Commercial						<u>C</u>			
Commercial Kennels	C	C	C		C	C	<u>C</u>	C	
Commercial Riding Arenas	<u>C</u>	<u>C</u>	<u>C</u>		<u>C</u>				
Commercial Stables	<u>C</u>	<u>C</u>	<u>C</u>						
Dwelling unit, multi-family.	C				C	<u>C</u>			
Dwelling unit, one-family.	A	A	A	A	A	<u>L</u>			
Dwelling unit, single-family, attached.	<u>CL</u>				L	<u>C</u>			
Forest, meadow lands and open space	A	A	A		A	A		A	
Food Processing, Commercial						<u>L</u>		<u>L</u>	
Funeral Services	<u>C</u>	<u>C</u>	<u>C</u>		<u>C</u>	<u>L</u>			
Gas and fuel, storage and wholesale						<u>C</u>	<u>C</u>		
Gasoline Service Station with or without Convenience Store						<u>L</u>			
Guest ranches or lodge intended to attract visitors/patrons on a daily basis or an extended stay.	C	C	C		<u>C</u>	<u>C</u>			

EXHIBIT A.3

Permitted Uses	AP	AG-100	AG-160	CA	HC	C	LI	I	Additional Reference
Historic Structures, preservation of, including related accessory and supporting uses	A	A	A		A	A	A	A	
Home Occupation.	A	A	A	A	A	A			Section 11-6-3
Horse Drawn Sleigh Ride.	A	A	A	A	C	A		A	
Houses of Worship including churches and other religious institutions.	C	C	C		C	C			
Hospitals						C			
Hotel, Motel or Inn						L			
Indoor Entertainment such as bowling alleys, skating rinks, movie theater, performing arts center						L			
Indoor Riding Arenas not exceeding 2,000 square feet.	A	A	A		A	C			
Industrial Uses and operations including storage, manufacturing and processing.								C	
Institutional Uses including fire stations, private schools and public or quasi-public buildings.	C	C	C		C	C			
Logging Camp	C	L	L						
Manufacturing, custom	L				L	L	L	L	
Manufacturing, light							L	L	
Manufacturing, heavy								C	
Mobile Home Park	C				C				
Mobile home with foundation (refer to Prefabricated Home definition.)	A	A	A	A	A	L			

EXHIBIT A.4

<u>Permitted Uses</u>	<u>AP</u>	<u>AG-100</u>	<u>AG-160</u>	<u>CA</u>	<u>HC</u>	<u>C</u>	<u>LI</u>	<u>I</u>	<u>Additional Reference</u>
Mobile home without foundation	C	C	C	C	C				
Municipal Landfill								C	
Nursery/greenhouse.	C	C	C		C	A			
Oil wells, natural gas wells and steam wells	<u>LC</u>	<u>LC</u>	<u>LC</u>					<u>LC</u>	Section 11-4-10.F
Open Recreation uses.	C	L	L	C	C	<u>LC</u>		<u>LC</u>	
Petroleum Refineries	<u>LC</u>	C	C					C	
Professional Offices						<u>AL</u>			
Railroad Industrial Uses including shipping and distribution.							<u>L</u>	<u>L</u>	
Recreation and Athletic Facilities						<u>L</u>			
Rehearsal or teaching studio for creative, performing and/or martial arts with no public performances						<u>L</u>			
Recycling Facility, Class I	<u>A</u>	<u>A</u>	<u>A</u>		<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	
Recycling Facility, Class II								<u>L</u>	
Residential Care Facilities	C	<u>C</u>	<u>C</u>		C	C			Section 11-6-16 & Appendix A
Restaurant, not exceeding 2,000 sq. ft.						<u>A</u>			
Restaurant, exceeding 2,000 sq. ft.						<u>L</u>			
Restaurant with a drive through						<u>L</u>			
Retail commercial establishments, exceeding 2,000 square feet.						<u>LC</u>			
Retail commercial establishments, not to exceed 2,000 square feet.						<u>LA</u>			

EXHIBIT A.5

<u>Permitted Uses</u>	<u>AP</u>	<u>AG-100</u>	<u>AG-160</u>	<u>CA</u>	<u>HC</u>	<u>C</u>	<u>LI</u>	<u>I</u>	<u>Additional Reference</u>
Rock quarries, gravel pits, and associated surface mining uses including, but not limited to, filtering, sifting, and processing of soil.	C	C	C					L	
Service commercial establishments, exceeding 2,000 square feet.						C		C	
Service commercial establishments, not to exceed 2,000 square feet.						L		C	
Seasonal Recreation, Commercial (Non-Motorized)	<u>L</u>	<u>L</u>	<u>L</u>		<u>L</u>			<u>L</u>	
Seasonal Recreation, Commercial (Motorized)	<u>C</u>	<u>C</u>	<u>C</u>		<u>C</u>			<u>C</u>	
Sexually Oriented Businesses								C	Appendix B
Shooting Ranges, Indoor						C		<u>L</u>	
Shooting Ranges, Outdoor	<u>C</u>	<u>C</u>	<u>C</u>						
Telecommunication Facilities - Co-Location	A	A	A	A	A	A	<u>A</u>	A	Section 11-6-7
Telecommunication Facilities - Stealth	A	A	A	A	A	A	<u>A</u>	A	Section 11-6-7
Underground transmission lines exceeding 12 inches diameter, (i.e., gas, oil, water, etc.).	C	C	C	C	C	C	<u>C</u>	C	
Underground utility uses, including transmission lines for natural gas, water, sewer, telephone, power, etc.	A	A	A	A	A	A	<u>A</u>	A	
Utility structures and related facilities	C	L	L	C	C	C	<u>L</u>	<u>C</u> <u>L</u>	Section 11-6-6

EXHIBIT A.6

<u>Permitted Uses</u>	<u>AP</u>	<u>AG-100</u>	<u>AG-160</u>	<u>CA</u>	<u>HC</u>	<u>C</u>	<u>LI</u>	<u>I</u>	<u>Additional Reference</u>
Utility Towers and associated transmission and distribution lines 45 feet in height or less.	L	A	A	L	L	L	<u>L</u>	A	
Utility Towers and associated transmission and distribution lines greater that 45 feet in height.	C	C	L	C	C	C	<u>C</u>	L	
Veterinarian Clinic	<u>L</u>	<u>L</u>	<u>L</u>	<u>C</u>	<u>L</u>	<u>L</u>			
Warehousing and commercial storage.	<u>E</u>	<u>E</u>	<u>E</u>	C		<u>E</u>	<u>L</u>	C	
Wind power generation facilities 45 feet in height and less	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	
Wind power generation facilities greater than 45 feet in height.	C	L	L	<u>A</u>			<u>L</u>	<u>C</u> <u>L</u>	Section 11-4-10.G
Water and Wastewater Treatment Plant	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>	<u>C</u>		<u>C</u>	<u>C</u>	

Auto Impoundment Yard and Associated Towing Services: An outdoor storage facility for impound of automobiles brought there by a towing service.

Automotive Sales: An establishment primarily engaged in the sale or rental of automobiles, noncommercial trucks, motorcycles, motor homes, recreational vehicles, or boats, including incidental storage, maintenance, and servicing. Typical uses include new and used car dealerships, motorcycle dealerships, and boat, trailer, or recreational vehicle dealerships.

Automotive Repair, Service and Detailing: An establishment primarily engaged in the repair of automobiles, noncommercial trucks, motorcycles, motor homes, recreational vehicles, or boats, including the sale, installation, and servicing of equipment and parts. Typical uses include muffler shops, auto repair garages, tire sales and installation, wheel and brake shops, body and fender shops, and similar repair and service activities, but excluding dismantling or salvage.

Auto Wrecking Yard: The dismantling or wrecking of used motor vehicles or trailers, or the storage, sale, or dumping of dismantled or wrecked vehicles or their parts.

Banks and Financial Services: An establishment primarily engaged in the provision of financial and banking services. Typical uses include banks, savings and loan institutions, stock and bond broker's loan and lending activities.

Bars, Taverns, Private Clubs: An establishment serving alcoholic beverages for consumption on the premises.

Butcher, Retail: An establishment for small-scale slaughtering of animals, dressing their flesh, and meat sales.

Child Care, In-home (4 children or less): Providing child care services within a dwelling home for four or less children.

Child Care, Family (fewer than 9 children): A child care facility operated by a party who resides at the premises used for child care services, which provides service for fewer than nine children.

Child Care, Family (with 9–16 children): Providing child care services within a dwelling that is licensed by the state wherein are received nine or more children under 17 years of age who are not related to such person and whose parents or guardians are not residents in the same house with such person responsible for the control and care of children enrolled therein.

Child Care, Commercial: Providing child care services within a commercial establishment that is licensed by the state wherein are received children under 17 years of age.

Commercial Riding Arena: An establishment for boarding, breeding or raising or horses not owned by the occupants that includes rental of horses and includes a training program and riding lessons.

Dwelling Unit, Accessory: An area used by the owner of the primary residence or primary tenant/business as a dwelling for the private use of the property owner's relatives, domestic help, caretakers, nursing staff, houseguest or similar users. An accessory dwelling unit shall contain cooking, sanitation and sleeping facilities.

Food Processing, Commercial: An establishment that transforms raw ingredients into food or transforms food into other forms for consumption.

Funeral Services: An establishment engaged in undertaking services such as preparing the human dead for burial and arranging and managing funerals. Typical uses include funeral home or mortuaries.

Gas and Fuel, Storage and Sales: Bulk storage tanks of flammable and combustible liquids, compressed gases or liquefied petroleum gas (LP gas) for business use, retail sale, wholesale, or wholesale distributing.

Gasoline Service Station with Convenience Store: A place where gasoline, motor oil, lubricants, or other minor accessories are retailed directly to the public on the premises in combination with the retailing of items typically found in a convenience market or supermarket.

~~**Historic Structures, preservation of, including related accessory and supporting uses**~~

Hospital: An establishment providing primary health services and medical or surgical care to persons, primarily inpatients, suffering from illness, disease, injury, deformity, and other abnormal physical or mental conditions and including, as an integral part of the institution, related facilities, such as laboratories, emergency treatment facilities, diagnostic services, out-patient facilities, training facilities, medical offices, or staff residences.

Hotel, Motel or Inn: An establishment containing sleeping rooms for the temporary occupancy of guests. Accessory facilities may include a lobby, meeting rooms, recreation facilities, group dining facilities and/or other facilities or activities customarily associated

with hotels, but not including lock-outs or boarding houses. Motels are generally an establishment containing guest rooms or dwelling units, some or all of which have a separate entrance leading directly from the outside of the building with garage or parking space located on the lot and designed, used, or intended wholly or in part for the accommodation of automobile transients. Motel includes motor courts, motor lodges and tourist courts, but not mobile home parks or travel trailer parks.

Logging Camp: An establishment engaged in cutting down trees for commercial purposes, including transportation to a sawmill. A "logging camp" does not include cutting or alteration of trees incidental to construction activities.

Manufacturing, Custom: An establishment primarily engaged in the on-site production of goods by hand manufacturing which involves only the use of hand tools or domestic mechanical equipment not exceeding two horsepower or a single kiln not exceeding 8 kilowatts, and the incidental direct sale to customers of only those goods produced on-site. Typical uses include ceramic studios, candle-making shops or custom jewelry manufacturing.

Manufacturing, Light: An establishment engaged in the manufacture, predominantly from previously prepared materials, of finished products or parts, including processing, fabrication, assembly, treatment, and packaging of such products, and incidental storage, sales, and distribution of such products, but excluding basic industrial processing.

Manufacturing, Heavy: The converting of raw or partially processed materials into a product used for further processing or distribution. Examples of heavy manufacturing include lumber and paper mills, sewage treatment plants, stone, clay, glass product manufacturing, asphalt and concrete batch plants, and similar operations. These uses may be conducted partially or wholly outdoors and usually create noxious by-products such as dust, fumes, hazardous waste products, noise, vibration, and glare.

Open Recreation Use: Land or the use of land intended for open recreational uses, including facilities such as playgrounds, campgrounds, golf courses, tennis courts, corrals, public riding arenas and other similar activities, but not including commercial snowmobile operations and shooting ranges, and other similar activities.

Rehearsal or teaching studio for creative, performing and/or martial arts with no public performances: A recreation facility operated as a business on private or public property and open to the public for a fee, such as a dance studio, gymnastics studio,

music studio, or substantially similar use, and support facilities customarily associated with the development.

Recycling Facility, Class I: Recycling containers totaling up to 60 cubic yards of capacity per lot or residential/business development used for the collection and temporary storage of recyclable materials such as glass, plastic, aluminum, mixed metals, fiber, and cardboard. These facilities are generally, but not limited to the use by a specific residential neighborhood, civic facility, or commercial business park, and can be for the use of the entire community.

Recycling Facility, Class II: A building, structure or designated area with recycling containers totaling over 60 cubic yards of capacity per lot or residential/business development used for the collection, and temporary storage or transfer of recyclable materials such as glass, plastic, aluminum, mixed metals, fiber, and cardboard that may be for the use of the entire community and typically operates as a commercial *business*.

Seasonal Recreation, Commercial (Non-Motorized): Land or the use of land intended for commercial open recreational uses, including activities such as rafting tours, mountain biking tours, and other similar activities, but not including commercial snowmobile operations, shooting ranges, and other similar activities.

Seasonal Recreation, Commercial (Motorized): Land or the use of land intended for commercial open recreational uses, including activities such as commercial snowmobile tours and other similar activities, but not including shooting ranges, and other similar activities.

Veterinarian Clinic: A licensed medical establishment for the care and treatment of small, domestic animals.

Wind power generation facilities 45 feet in height and less

Wind power generation facilities greater than 45 feet in height

APPENDIX B of the Eastern Summit County Development Code

ADULT/SEX-ORIENTED FACILITIES AND BUSINESSES

A. Findings: The County Council finds that the appropriate location for adult/sex oriented facilities and businesses within the county is within concentrated areas of the county where it can be better regulated by county officials and law enforcement, and outside of residential or recreational (park) areas where the quality of life will not be as greatly impacted. Within the unincorporated county, adult/sex-oriented facilities and businesses shall be allowed as a Conditional Use within the Silver Creek Industrial Park and other industrial areas, as specified herein, and shall conform to the criteria mandated under this Subsection and Title 3, Chapter 5 of this Code, governing such activities. This Title and Title 10 of this Code, are hereby amended to allow adult/sex-oriented facilities and businesses as a Conditional Use in the Existing Industrial (EI) Zone (Snyderville Basin) or Industrial (I) Zone (Eastern Summit County) and as a prohibited use in all other zone districts.

B. Conditional Use Permit Required: Adult/sex oriented facilities and businesses are Conditional Uses in existing Industrial Zones and must be approved in accordance with the provisions of this subsection and Title 3, Chapter 5 of this Code. In all cases, a design and site plan diagramming the premises shall be provided as part of the application process. A public hearing shall be required in all cases prior to the issuance of a Conditional Use permit. The procedures for issuance of Conditional Use Permits, as found in the appropriate title, shall be followed in all cases. A final decision by the county as to the issuance of a Conditional Use Permit for an adult/sex-oriented facility or business shall be made within ninety (90) days of receipt of a completed application by the County Department of Community Development, unless a delay is requested or agreed upon by the applicant or where the applicant is causing the delay by not providing needed information.

C. Non-conforming Uses:

1. Right to Continue: Adult/sex-oriented facilities and businesses already existing within the unincorporated area of the county shall have the right to continue in their businesses without a Conditional Use Permit. However, all such businesses shall be subject to compliance with the criteria, mandatory general conditions, and mandatory design of premises conditions, as provided in this subsection and Title 3,

Chapter 5 of this Code, within ninety (90) days of the adoption of the ordinance codified herein. A time extension may be granted where the County Council/County Manager determines, on a case by case basis, that a hardship exists for a business owner/operator.

2. Change or Extension/Enlargement of Use: Any non-conforming use herein may not be materially changed, nor extended/enlarged unless it comes into compliance with the then existing Development Code.

3. Cessation of Use: If active and continuous operations are not carried on in a non-conforming use during a continuous period of one year, the building or land where such non-conforming use previously existed shall thereafter be occupied and used only for a conforming use. Intent to resume active operations shall not affect the foregoing.

D. Right Of Appeal: All appeals from denials by the Planning Commission of Conditional Use Permit applications shall be as provided in Title 10 of this Code, the Eastern Summit County Development Code (this Title) (as applicable), and Utah Code Annotated, Section 17-271001, to the District Court within thirty (30) days of the Planning Commission's final action.

E. Penalty: Violations of any of the provisions of this section shall subject the offender to the penalties as provided in this title, other applicable state law, or where no penalty is otherwise provided, a fine of not more than seven hundred fifty dollars (\$750.00) and a ninety (90) day jail sentence. (Ord. 324, 3-9-1998)

Light Industrial Zone Language

- A. District Intent:** This zone district is established for the purposes of providing the general public with access to a range of light industrial and service related uses that are consistent with and supportive of the goals of the Eastern Summit County General Plan, necessary to support the economic growth of Summit County. This zone district is also established to serve as the gap between the Industrial and Commercial zones. This zone district allows existing commercial and light industrial uses to be expanded and new commercial uses to be established within the Light Industrial Zone of the unincorporated community. However, it also is intended to permit an appropriate diversity of economic activity at other appropriate locations to support the economic growth of Eastern Summit County when appropriate services can be made available and the use is compatible with its surroundings.
- B. Existing Legal Non-Conforming Light Industrial Uses:** Existing legal non-conforming light industrial uses not located within a Light Industrial zone district may continue and may be enlarged and/or expanded in accordance with Section 11-6-2 of the Code and the Use Criteria listed in Subsection “C” below.
- C. Light Industrial Zone and Use Criteria:** New light industrial uses shall not be established nor shall existing light industrial uses be expanded within the Light Industrial zone unless the use complies with all of the following criteria:
1. There is adequate off-street parking, circulation areas, and safe convenient access to the property.
 2. Public services (sewer, water, electric, phone, etc.) are readily available to the property and/or can be provided at adequate levels to serve the demands of the use without negatively impacting the level of service to adjoining uses or existing businesses as determined through an infrastructure analysis.
 3. The property does not contain sensitive lands that are negatively impacted by the use.
 4. The light industrial use will not substantially alter the essential character of the surrounding area.
 5. The use will not substantially increase the danger of fire or otherwise substantially endanger public safety.
 6. A Site Plan, Building Architectural Drawings, and plan of operations will be required as part of any conditional use, low impact permit, rezoning or expansion of a light industrial use to fully address potential impacts to neighboring uses or the community at large.
- D. Lot Width:** There shall be no requirement for lot width, provided all material handling, off-street parking and circulation requirements can be satisfied.
- E. Building Height:** Maximum building height shall be thirty-two (32) feet unless additional building height is required for the subject use and is approved by the fire district and is determined to be compatible with adjacent buildings and uses. In no case shall the building height exceed fifty (50) feet.

Light Industrial Zone Language

F. Setback Requirements: Minimum setbacks for light industrial uses shall be determined through the Low Impact or Conditional Use approval process. The minimum setback shall be at least fifty feet (50') from any county designated roadway right-of-way or, in the absence of a designated right-of-way, at least eighty feet (80') from the centerline of the county designated roadway. Front setbacks from a private driveway or access road shall be thirty feet (30') from the front property line. In cases where the property lines extend to the center of a private driveway or access road, the minimum setback shall be fifty five feet (55') from the centerline of the driveway or road. The minimum side and rear setbacks for all structures shall be twelve feet (12').

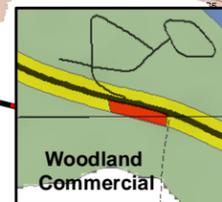
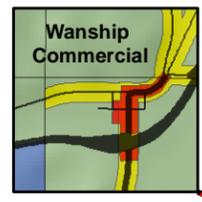
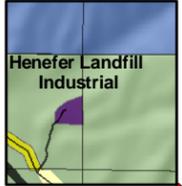
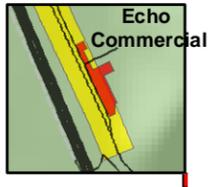
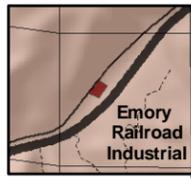
For structures taller than thirty-two (32) feet and/or parcels larger than five (5) acres, the setbacks shall be at least one hundred feet (100') from any public road right-of-way or, in the absence of a designated right-of-way, at least one hundred twenty feet (120') from the centerline of the public roadway, and the minimum side and rear setbacks shall be fifty feet (50').

Wetlands and Streams: The minimum setback from wetlands shall be forty feet (40'). The minimum setback from any other naturally occurring year-round stream, lake, pond or reservoir shall be one hundred feet (100') from the ordinary high water mark.

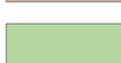
G. Special Requirements: Special landscape screening and other buffer requirements, to the extent practical and reasonable, may be required to minimize the impact on adjacent uses. Special screening and buffer requirements shall be determined through the planning permit review processes.

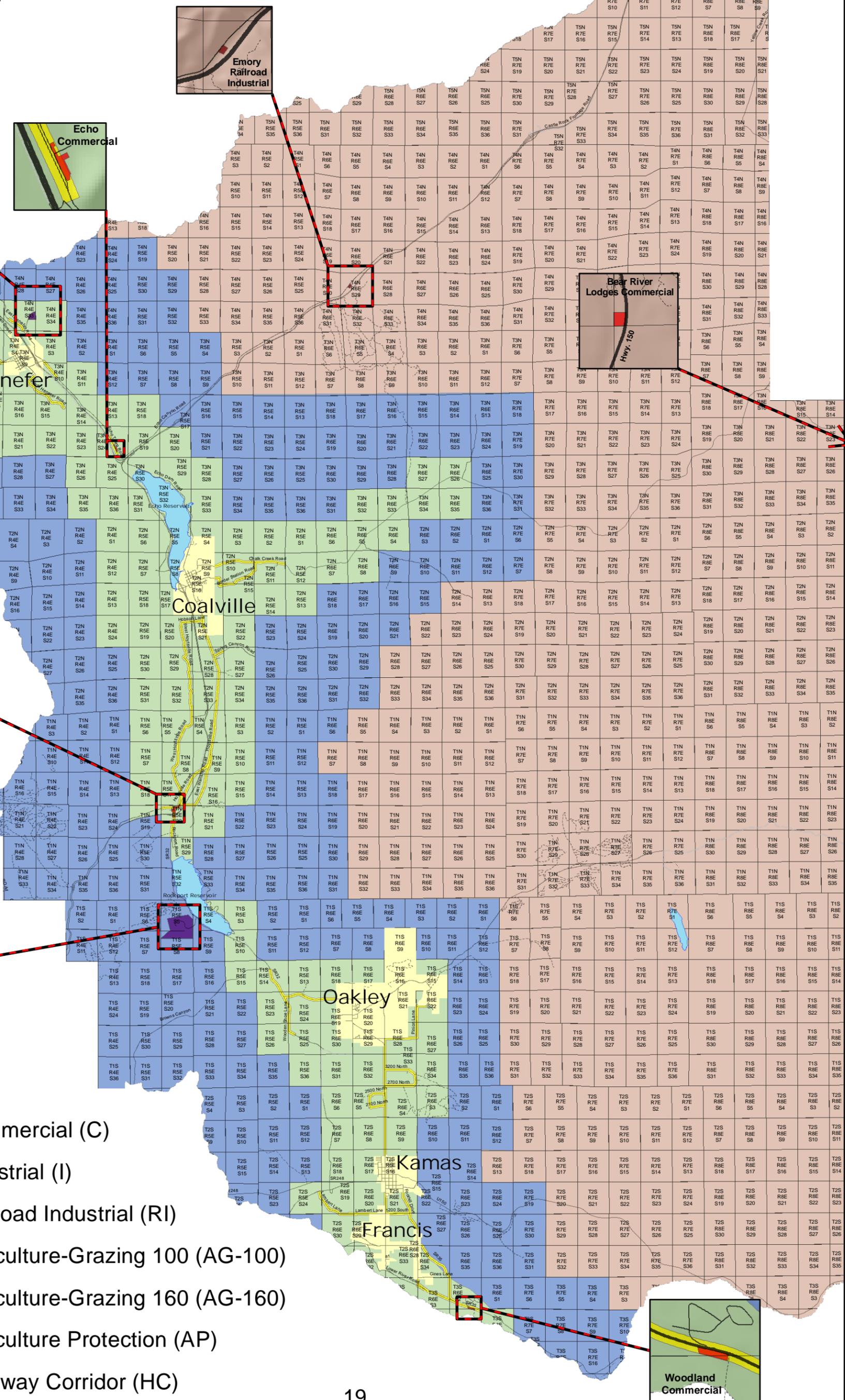
Eastern Summit County Zoning Map

Amended 6/8/05



Legend

-  Commercial (C)
-  Industrial (I)
-  Railroad Industrial (RI)
-  Agriculture-Grazing 100 (AG-100)
-  Agriculture-Grazing 160 (AG-160)
-  Agriculture Protection (AP)
-  Highway Corridor (HC)



MINUTES

EASTERN SUMMIT COUNTY PLANNING COMMISSION

REGULAR MEETING
 WEDNESDAY, MARCH 21, 2012
 CONFERENCE ROOM 1B
 SUMMIT COUNTY COURTHOUSE
 60 NORTH MAIN
 COALVILLE, UTAH

COMMISSIONERS PRESENT:

Michael Brown – *Chair*
 Tonja Hanson
 Ken Henrie

Chris Ure
 Sean Wharton

Regrets: Tom Clyde

STAFF PRESENT:

Amir Caus – *County Planner*
 Kimber Gabryszak – *County Planner*
 Sean Lewis – *County Planner*
 Adryan Slaght – *Principal Planner*

Helen Strachan – *County Attorney*
 Kent Wilkerson – *County Engineer*
 Kathy Lewis – *Recording Secretary*

Continued discussion regarding the creation of a new "Light Industrial Zone: and related Use Chart – Amir Caus, County Planner

Chair Brown said at the next meeting in April there will be a public hearing concerning the creation of the Light Industrial Zone. He asked that Staff bring the proposed language and the Use Chart to be assured that the Planning Commission is fully acquainted with this document before the public hearing occurs.

Planner Amir Caus reminded the Planning Commission that Staff was instructed to bring back the Light Industrial Zone in lieu of the Service Commercial Zone. Staff was also directed that the remaining Service Commercial Zone uses would be placed in the Commercial Zone. The Commission reviewed the document that was presented to them.

Commissioner Wharton noted that Class II Recycling is not included in the Light Industrial Zone. He asked if it should be. Commissioner Ure responded that the definition of Class II Recycling involves cars and heavier items. He thinks it belongs in the Industrial Zone only. Planner Caus recommended that Class II Recycling be removed from the Commercial Zone. He said it wouldn't mix well with restaurants or other uses in the Commercial Zone. The Commission decided to remove it from the Commercial Zone and leave it in the Industrial Zone only.

Chair Brown recommended they review the Use Chart for the Commercial Zone line by line. The following changes were made:

<u>USE CHART REVIEW</u>		
<u>Item</u>	<u>Change</u>	<u>Vote</u>
Automotive Sales	Change from Conditional Use to Low Impact Use	Unanimous Vote
Banks and Financial Services	Change from Conditional Use to Low Impact Use	Unanimous Vote
Bed and Breakfast Inn	Change from Conditional Use to Low Impact Use	Unanimous Vote
Cemetery	Leave as a Conditional Use	Unanimous Vote
Commercial Kennels	No change; stays as a Conditional Use	Vote: 3-2 For: Commissioner Hanson Commissioner Henrie Commissioner Wharton Against: Chair Brown Commissioner Ure
Funeral Services	Change from Conditional Use to Low Impact Use	Unanimous Vote
Gasoline Service Station with convenience Store	Change from Conditional Use to Low Impact Use	Vote: 3-2 For: Chair Brown Commissioner Ure Commissioner Henrie Against: Commissioner Hanson Commissioner Wharton
Houses of Worship	No change; stays as a Conditional Use	Vote: 4-1 For: Chair Brown Commissioner Hanson Commissioner Henrie Commissioner Wharton Against: Commissioner Ure
Hotel, Motel, or Inn	Change from Conditional Use to Low Impact Use	Unanimous Vote
Indoor Entertainment such as bowling alley, skating rinks,	Change from Conditional Use to Low Impact Use	Unanimous Vote

movie theater, performing arts center		
Institutional Uses including fire stations, private schools and public or quasi-public buildings	No change; stays as a Conditional Use	Unanimous Vote
Open Recreation Uses	Change from Conditional Use to Low Impact Use (non-motorized added)	Unanimous Vote
Recreation and Athletic Facilities	Change from Conditional Use to Low Impact Use	Unanimous Vote
Recycling Facility, Class II	Remove from the Commercial Zone	Unanimous Vote
Restaurant with a drive through	Change from Conditional Use to Low Impact Use	Unanimous Vote
Residential Care Facilities	No change; stays as a Conditional Use	Unanimous Vote
Shooting Range	No change; stays as a Conditional Use	Unanimous Vote
Underground transmission lines exceeding 12 inches diameter, (i.e., gas, oil, water, etc.)	No change; stays as a Conditional Use	Vote: 4-1 For: Commissioner Hanson Commissioner Henrie Commissioner Ure Commissioner Wharton Against: Chair Brown
Utility Structures and related facilities	No change; stays as a Conditional Use	Vote: 3-2 For: Commissioner Hanson Commissioner Henrie Commissioner Wharton Against: Chair Brown Commissioner Ure
Utility Towers and associated transmission and distribution lines greater than 45 feet in height.	No change; stays as a Conditional Use	Vote: 4-1 For: Commissioner Hanson Commissioner Henrie Commissioner Ure Commissioner Wharton Against: Chair Brown
Water and Wastewater	Removed from zone	Unanimous Vote

Treatment Plant		
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Following the review of the Use Chart the proposed language was reviewed and the following changes were made:

<u>PROPOSED LANGUAGE</u>		
<u>Paragraph</u>	<u>Change</u>	<u>Vote</u>
Paragraph A: District Intent	The following sentence will be removed: "This zone district is also intended to encourage light industrial development near incorporated municipalities, where adequate services are generally available." The last sentence of the paragraph should be altered to read "...to support the economic growth of Summit County."	Unanimous Vote
Paragraph B: Existing Legal Non-Conforming Industrial Uses	No changes made	Unanimous vote
Paragraph C: Light Industrial Zone and Use Criteria- The Criteria was reviewed and the following changes were made:	1. Delete	Unanimous Vote
	2. Keep this criterion, but put a period following the word "property." Delete the rest of the sentence.	Unanimous Vote
	3. Change the word "and" to an "or"	Unanimous Vote
	4. Delete	Unanimous Vote
	5. Leave as is	
	6. Delete	Unanimous Vote
	7. No changes made	Vote: 3-2

		<p>For: Commissioner Hanson Commissioner Henrie Commissioner Wharton</p> <p>Against: Chair Brown Commissioner Ure</p>
	<p>8. Insert the word "substantially" before "endanger public safety". Add a period and end the sentence at this point. The rest of the sentence will be removed.</p>	<p>Vote: 3-2</p> <p>For: Commissioner Hanson Commissioner Henrie Commissioner Wharton</p> <p>Against: Chair Brown Commissioner Ure</p>
	<p>9. Delete "Operational Management" from the sentence. Add "plan of operation" following "low impact use"</p>	<p>Vote: 4 -1</p> <p>For: Commissioner Hanson Commissioner Henrie Commissioner Wharton Commissioner Ure</p> <p>Against: Chair Brown</p>
<p>Paragraph D: Lot Width</p>	<p>No changes made</p>	<p>Unanimous vote</p>
<p>Paragraph E: Building Height</p>	<p>No changes made</p>	<p>Unanimous vote</p>
<p>Paragraph F: Setback Requirements</p>	<p>No changes made</p>	<p>Unanimous vote</p>
<p>Paragraph G: Parking Requirements</p>	<p>Delete</p>	<p>Unanimous vote</p>
<p>Paragraph H: Special Requirements</p>	<p>No changes made</p>	<p>Vote: 3-2</p> <p>For: Commissioner Hanson Commissioner Henrie Commissioner Wharton</p> <p>Against: Chair Brown Commissioner Ure</p>

Chair Brown thanked the Commission. He said this is a better product than what was before them one month ago.

Commission Items

Commissioner Henrie asked how the Lot of Record Ordinance that was just approved fixes all of the different situations. Planner Kimber Gabryszak said that it doesn't. Principal Planner Adryan Slaght said the County Council voted against approving amnesty. Commissioner Henrie said at some point in the future, the Planning Commission should address other ways that someone should be able to legally divide their lot.

Staff Items

When to hold the upcoming training was discussed along with the future agendas. It was decided that because the new Planning Commission may not be seated by April 4th to delay the training until April 18th.

Planner Gabryszak said the Staff Report will be available a day earlier. She informed the Commission that the County will begin to use an online filing system that will give the Commission access to the reports at an earlier date.

Planner Gabryszak said only the planner who is coordinating the meetings will be rotated. The projects will not be switching.

Adjourn

At 9:03 p.m. Commissioner Wharton made the motion to adjourn the meeting.

Approval Signature

DRAFT MINUTES**EASTERN SUMMIT COUNTY PLANNING COMMISSION**

REGULAR MEETING
 WEDNESDAY, APRIL 4, 2012
 KAMAS CITY OFFICE
 170 NORTH MAIN
 KAMAS, UTAH

COMMISSIONERS PRESENT:

Tom Clyde- Vice Chair
 Tonja Hanson
 Ken Henrie

Chris Ure
 Sean Wharton

Regrets: Michael Brown – *Chair*

STAFF PRESENT:

Amir Caus – *County Planner*
 Kimber Gabryszak – *County Planner*

Helen Strachan – *County Attorney*
 Kathy Lewis – *Recording Secretary*

Commission Vice-Chair Tom Clyde called the regular meeting of the Eastern Summit County Planning Commission to order at 6:00 PM. He announced that Chair Michael Brown was unable to be in attendance.

- 1. Public hearing and possible recommendation regarding code amendments including the creation of a new Light Industrial Zone and potential Service Commercial Zone, as well as other amendments to the Commercial Zone, Use Chart, Zone Map, and definitions in the Eastern Summit County Development Code. - Amir Caus, County Planner**

Planner Amir Caus reminded the Planning Commission there have been 13 meetings on this subject since June 2011. Initially, the proposal was for the creation of the Light Industrial (LI) zone. The idea morphed into the creation of a Service Commercial Zone and Use Chart amendments. He said the decision was recently reached to return to the original proposal of a LI zone. The Commission reviewed the proposed Use Chart amendments with an eye towards which uses would be most appropriate in the LI zone. The remaining uses were placed in the Commercial Zone.

Planner Caus said the proposed use chart and definitions were reviewed at the last Commission meeting. The Commission requested a final review of the chart at this meeting. Vice-Chair Clyde opened the public hearing. There were no comments made and the public hearing was closed. He asked if the Commission felt that another public hearing to be held in Coalville would be needed. The Commission felt that it would not be necessary.

COMMISSION QUESTIONS AND COMMENTS

Commissioner Hanson asked about the statement in the Staff Report that read, "A zoning change would not necessarily cause an immediate change in tax status." She asked if that

statement applies to the property owner. Planner Caus answered that was correct. A zoning change would not cause a change in the taxes on the property, unless there is a change in the use of the property. Vice-Chair Clyde commented the property could remain in the greenbelt in the LI zone. Commissioner Henrie said he had several questions about the document. The following questions were considered:

- (Page 3: General Plan Consistency- 7.2.1)

Commissioner Henrie asked if the Industrial Zone was being eliminated. Planner Caus responded the Railroad Industrial zone was being removed. It was becoming a use rather than its own zone. The Industrial and the Commercial zones would remain.

- (Page 6: Use Chart- Automotive Sales AND Automotive Repair, Service and Detailing)

Commissioner Henrie said that many businesses that sell cars also repair and service them. He asked if this should be listed as a Low Impact use in the Commercial zone. This was discussed. Commissioner Ure said detailing is also part of automotive sales.

Commissioner Henrie made a motion that automotive repair, service and detailing should be listed as a Low Impact use in the Commercial zone. Commissioner Hanson seconded the motion. All voted in favor.

- **MOTION CARRIED (5 - 0)**

Commissioner Henrie questioned if the definitions associated with this category should be altered, but the Commission decided to leave it as is. It was felt that the change in the use chart will take care of any problems and would be reviewed under the same Low Impact Permit.

- (Page 7: Commercial Kennels)

Commissioner Hanson asked if commercial kennels should be listed in the Light Industrial Zone as a Conditional Use. Commissioner Ure agreed. He said they had decided to eliminate it from the Service Commercial Zone, but they never intended to remove it from the Light Industrial Zone.

Commissioner Hanson made a motion to allow Commercial Kennels in the Light Industrial Zone as a Conditional Use. Commissioner Ure seconded the motion. All voted in approval.

- **MOTION CARRIED (5 - 0)**

- (Page 7: Guest Ranches or Lodges)

Commissioner Henrie said this was listed as a conditional use in all of the agricultural zones. He stated no other conditions have been placed on these operations other than having a

business license and obedience to the law. Because of this, he questioned if this should be made a Low Impact use rather than a conditional use.

Commissioner Hanson responded that she felt it should remain as a conditional use because there are important unknown variables that would come into play. One would be if the road is private or public. Vice-Chair Clyde questioned if this meeting had been noticed in such a way that this item could be discussed. Planner Caus said it had been loosely noticed in order to allow the Planning Commission to discuss the Use Chart in a general manner. He said that other zones could be discussed if they so desire.

Commissioner Wharton gave the details of a phone call of a woman that desires to host receptions and elite parties a few times a year. He said there is a difference between a hunting lodge and a guest lodge. If a hunting lodge should be listed as a Low Impact use or a conditional use was discussed. Vice-Chair Clyde replied he thought this particular subject should be discussed in greater detail at a later date.

(Page 10: Seasonal Recreation, Commercial (non-motorized))

Commissioner Henrie questioned if the Temporary Use should be changed to a Low Impact Use. Vice-Chair Clyde said the Temporary Use was enacted to accommodate the Olympics. This was no longer needed.

Commissioner Ure made a motion to alter the Temporary Use for Seasonal Recreation, Commercial (non-motorized) to a Low Impact Use. Commissioner Wharton seconded the motion. All voted in approval.

- **MOTION CARRIED (5 - 0)**

(Page 12 (Definitions) and Page 7 (Use Chart)- Butcher, Retail)

The difference between meat sales vs. a slaughter house was discussed and if this should be defined. The Commission said they want to protect someone in the Commercial Zone from having a slaughter house move next door to them.

Commissioner Wharton made a motion that Butcher, retail would be a Low Impact Use in the Light Industrial Zone and a Conditional Use in the Commercial Zone. Commissioner Ure seconded the motion. All voted in approval.

- **MOTION CARRIED (5 - 0)**

(Page 13: (definition) Dwelling unit, Accessory)

Commissioner Henrie asked if there was a size limitation for an accessory dwelling unit. Planner Gabryszak answered that size limits have been established. Commissioner Wharton asked why they decided this would be a Conditional Use in the Highway Corridor Zone and a

Low Impact Use in all other zones. Planner Gabryszak said this is because it would be doubling the intensity along the Highway Corridor Zone.

(Page 14: Manufacturing, custom)

Commissioner Henrie said many household tools exceed what is being proposed. (2 horse power) He recommended there be no limit set. Planner Caus said that Staff would prefer to increase the horse power, over eliminating the requirement. Commissioner Ure said he would like to remove the referral to the horse power. Commissioner Wharton agreed and asked why there would be a need to regulate this. Planner Gabryszak responded the goal is to avoid this becoming a light industrial use. It should remain the type of activity that someone would do in a garage.

Commissioner Henrie made a motion that a portion of the sentence be removed and the sentence would now read as: "...which involves only the use of hand tools or domestic mechanical equipment, and the incidental direct sale..." Commissioner Ure seconded the motion. All voted in favor.

- **MOTION CARRIED (5 - 0)**

(Page 14: Rehearsal or Teaching Studio)

Commissioner Henrie said this seemed like an awkward definition. The Commission wondered if tennis courts and skating rinks, should be included in this definition. Planner Gabryszak suggested these be replaced with dance, gymnastic, or music studio. The Commission agreed.

(Page 15: Seasonal Recreation, Commercial (non-motorized))

Commissioner Henrie said the list of activities struck him as odd. He said that shooting ranges were not defined. He asked if the Commission wanted to include the word "tours" in the definition.

(Page 15: Veterinarian Clinic)

Commissioner Wharton said this definition lists small domestic animals. He asked where the large animals would be treated. Planner Caus said this definition was placed at the last meeting to help assure there would be no smells, and noises that would disturb the neighbors. Small animal and large animal veterinarian businesses were discussed.

Vice-Chair Clyde said when the impact is considered, treating large and small animals are two different types of businesses. Commissioner Ure pointed out that this is listed as a Low Impact use. If there are any questions, it will come before the Planning Commission. He said this should be left as is. A discussion ensued if a definition should be created on small animal care (dogs and cats) and large animal care (the taking care of livestock.)

The Commission also discussed the definition of "domestic animals." Attorney Strachan stated that under State law, cows and horses are domestic animals. Vice-Chair Clyde and Commissioner Wharton said it is the word "small" that is causing them concern. Commissioner Wharton said if they strike the word "small" any types of problems would be caught during the Low Impact review.

Planner Gabryszak suggested if the Commission is going to strike the word "small", they may also want to strike the word "domestic." She said if someone finds an owl with a broken wing, they would be able to bring it to their local veterinarian clinic. She also suggested they add the word "medical" to the "...care and the treatment of animals." She said without that verbiage, the facility might be a stable or dog kennel. Commissioner Ure suggested this language should also have the word "licensed" inserted.

Commissioner Wharton made a motion to amend to the definition of a veterinarian clinic as "An establishment for the licensed medical care and treatment of animals." Commissioner Hanson seconded the motion. All voted in approval.

- **MOTION CARRIED (5 - 0)**

Commissioner Ure made a motion to forward a positive recommendation to the Summit County Council of the creation of the Light Industrial Zone, with the amendments as outlined by the Planning Commission to the Use Chart and the Code language. Commissioner Henrie seconded the motion.

Before the vote was taken, Commissioner Wharton asked a question if the language outlined on page 18 (Section C.5) needed any adjusting. Does it say what the Commission intends for it to say. After a brief discussion the Commission decided no changes were necessary. A vote on the motion was taken and all voted in approval.

- **MOTION CARRIED (5 - 0)**

Signature of Approval

Construction Contract

This Agreement made and entered into this 6th day of April 2012, by and between the North Summit Fire Dist and their signed representative of 86 East Center Street, City of Coalville, State of Utah, hereinafter referred to as "Owner", and Preston Tholen Construction Company, a duly licensed general contractor in the State of Utah, whose offices are at 813 SW Hoytsville Rd, Coalville, Utah 84017, herein referred to as "Contractor".

In Consideration of the covenants and promises herein contained the parties mutually agree and covenant as follows:

- 1. Construction Project. This contract defines the binding terms between the Owner and Contractor to general a remodel for the owner, located at on real property described as follows:
86 East Center Street, Coalville, Utah 84017*
- 2. Construction Plans and Specifications. The owner shall provide 2 sets of completed plans and specifications for the construction project, solely at the expense of the North Summit Fire Dist.*
- 3. Construction Price.
a. The owner agrees that the Contract total of the remodel shall be \$94,617.00*
The Owner further understands and acknowledges that he shall be solely liable to make payment for the reasonable cost of any changes made to the plans and specifications.*
- 4. Progress Payments. Contractor shall submit monthly requests for progress payments by the 10th day of each month, and the Owner shall*

make payment of each monthly progress payment, to the Contractor, on or before the 15th day of each and every month.

- 5. Final Payment. Owner, by making final payment to Contractor, waives all claims except those arising out of faulty work, work that does not comply with contract documents, or outstanding claims of lien. Contractor, by accepting final payment, waives all claims except those which he previously made in writing which remain unsettled at the time of acceptance. All times stated herein or in the contract documents are of the essence thereof. Both Owner and Contractor agree to do everything within their power to promote prompt, reasonable and satisfactory execution of all duties with regards to the estimated construction schedule and completion date. Owner & Contractor acknowledge that estimated construction schedules are only estimates of the express or implied time it will take to accomplish this remodeling project. Contractor makes no warranties – express or implied – that such schedules will be met, but Contractor will make every reasonable effort to meet said schedules.*
- 6. Contract Documents. The contract documents on which the agreement between Owner & Contractor is based, which contain the plans and specs in accordance with which the work is to be done, are as follows: A) this agreement, B) the plans and spec sheets, C) work change orders, D) estimates and allowances, E) bids received from sub-contractors, and F) suppliers' invoices. The contract documents are to be executed in duplicate by the Owner and Contractor.*
- 7. Responsibilities of Owner. Owner shall give written instructions to contractor, shall furnish all necessary surveys, soil tests, and engineering studies, shall provide the plans and specs, including all necessary design and engineering needed for property construction on a*

timely basis, shall obtain required financing, shall cooperate with Contractor in making progress payments to Contractor, whether directly or through a lender or other party. Owner shall not direct sub-contractors/suppliers or authorize them to perform work, but only the Contractor shall have the authority to direct and coordinate all sub-contractors and suppliers. Contractor is indemnified by the Owner of any such communication or the results thereof, including but not limited to

timely basis, shall obtain required financing, shall cooperate with Contractor in making progress payments to Contractor, whether directly or through a lender or other party. Owner shall not direct sub-contractors/suppliers or authorize them to perform work, but only the Contractor shall have the authority to direct and coordinate all sub-contractors and suppliers. Contractor is indemnified by the Owner of any such communication or the results thereof, including but not limited to schedule interruptions, cost changes, other delays, etc. The construction effort is to proceed in channeled authority from Owner, to Contractor, to sub-contractor/supplier.

Owner shall be available to make all decisions necessary for the work (including timely decisions as to but not limited by materials, preferences, upgrades, colors, styles, textures, aesthetics, finishes, etc.) which are to be incorporated into the work. Owner shall indemnify Contractor for any errors made by architects/draftsmen, engineers, inspectors, and plan checkers, developers, etc. to the fullest extent available under the law.

Owner also agrees to indemnify Contractor against potential variable costs, including but not limited to unforeseeable conditions in the ground, changing water tables, interest rates and labor/material changes

8. *Responsibilities of Contractor.* Contractor accepts the following responsibilities in connection with the construction project: A) supervision of construction effort, under Owners direction, B) hiring, supervising, directing and coordination of all sub-contractors, C) coordination of sub-contractors schedule and quality of their work, D) obtaining labor, materials and equipment necessary to complete the work. E) obtaining permits and licenses as necessary, F) complying with architect's design plans and inspectors' directives, and G) providing a work site free of debris and waste material.

All materials shall be new and of good quality (or materials approved by Owner) fully suitable for the purpose for which they are to be used; furthermore, all work shall be performed in a reasonable and workmanlike manner by qualified workers.

9. *Sub-Contractors.* The Contractor will provide Owner with a list of sub-contractors and their corresponding bids. The Owner shall have the right to reject any sub-contractors, Only upon evidence of lack of

qualifications of the sub-contractor. All sub-contractors shall work under the direction and supervision of the Contractor, and their payment is the sole responsibility of the Contractor.

10. *Arbitration.* All claims and disputes relating to this contract shall be subject to arbitration at the option of either Owner or Contractor in accordance with the arbitration rules of the American Arbitration Association for the construction industry. Written notice of demand for arbitration shall be filed with the other party to the contract and with the above Association within a reasonable time after which the dispute has arisen.
11. *Insurance Coverage.* Contractor agrees to keep in force at his own expense during the entire construction period general liability insurance coverage as required by law. Owner agrees to maintain in force during construction general liability insurance and adequate property damage insurance on the work at the site (coverage against fire, vandalism, and other perils ordinarily included in extended coverage). Owner also agrees to maintain proper flood insurance and indemnifies contractor for any loss that could result from water problems during construction. Losses under such insurance will be adjusted with and made payable to Owner as trustee for the parties insured as their interest appear.
12. *Work Changes.* The Owner may order work changes to the Contractor regarding the nature of additions, deletions, modifications, upgrades, etc. without invalidating this contract, except as otherwise provided herein. All such work changes shall be in writing and no work changes will commence until Owner has signed a written work change order and made provision for payment in full of additional work.

Contractor shall be responsible for initiating and coordinating the correction and modification of any work and/or material that does not conform to the contract documents or the local building code requirements.

13. *Termination.* Contractor, on five (5) days written notice to Owner, may terminate this contract before the completion of the project if Owner fails to make a progress payment. In the event of alleged breach of this Agreement by Contractor, Owner shall provide Contractor with a written

notice of the alleged breach. Contractor shall have seven (7) days from receipt of notice to correct alleged breach. If after the seven (7) days the alleged breach remains uncorrected, Owner shall provide Contractor with a second notice which gives Contractor five (5) days in which to remedy the alleged breach. If the alleged breach is not remedied within said days of the second notice, Owner may terminate this Agreement.

Both parties agree that, should either party default in any of the agreements herein contained, the defaulting party or his estate shall pay all costs and expenses, including a reasonable attorney's fee, which may arise or accrue from enforcing or terminating this Agreement or in pursuing any remedy provide hereunder or by applicable law.

Both parties agree that this Agreement together with the other contract documents constitutes the entire agreement between the parties, and no modification thereof shall become binding unless made in writing and signed by both parties.

In witness whereof, the parties have executed this Agreement in Coalville, Utah, the day and year mentioned below. The undersigned hereby acknowledges and receipt of a copy of this Agreement bearing all necessary signatures for the proper execution of this Construction Agreement, acknowledges that they have each read and understand the same.

Dated this 04/10/2012 ^{April} day of 04/10/2012, _____.

Owner (s):

Mark Robertson

Contractor:

Preston Tholen Construction Co. Inc.

by: 
Preston Tholen

AFTER RECORDING RETURN TO:

KIRSI HANSEN
PUBLIC FINANCIAL SERVICES
ZIONS FIRST NATIONAL BANK
ONE SOUTH MAIN STREET, 17TH FLOOR
SALT LAKE CITY, UT 84133

LEASE/PURCHASE AGREEMENT

Dated as of March 22, 2012

by and between

ZIONS FIRST NATIONAL BANK,
as Lessor

and

NORTH SUMMIT FIRE PROTECTION DISTRICT,
as Lessee

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LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of March 22, 2012, by and between ZIONS FIRST NATIONAL BANK, a national banking association duly organized and existing under the laws of the United States of America, as lessor (the "Bank"), and North Summit Fire Protection District (the "Lessee"), a public agency of the State of Utah (the "State"), duly organized and existing under the Constitution and laws of the State, as lessee;

WITNESSETH:

WHEREAS, the Lessee desires to finance the acquisition and/or construction of the real property and/or improvements, and/or the acquisition of the equipment described as the "Financed Property" in Exhibit B (the "Financed Property") by entering into this Lease/Purchase Agreement with the Bank (the "Lease"); and

WHEREAS, the Lessee owns the real property and/or improvements, if any, described as the "Existing Property" in Exhibit B upon which the Financed Property is to be constructed and/or located (the "Existing Property"); and

WHEREAS, the Lessee agrees to lease the Existing Property, if any, to the Bank upon the terms and conditions set forth in this Lease; and

WHEREAS, the Bank agrees to sublease the Existing Property, if any, back to the Lessee, and to lease the Financed Property to the Lessee (the Existing Property, if any, and the Financed Property sometimes being referred to collectively herein as the "Leased Property"), upon the terms and conditions set forth in this Lease, with rental to be paid by the Lessee equal to the Lease Payments hereunder; and

WHEREAS, it is the intent of the parties that the original term of this Lease, and any subsequent renewal terms, shall not exceed 12 months, and that the payment obligation of the Lessee shall not constitute a general obligation under State law; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Lease;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1 Definitions and Rules of Construction. Unless the context otherwise requires, the capitalized terms used herein shall, for all purposes of this Lease, have the meanings specified in the definitions below. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms, as used in this Lease, refer to this Lease as a whole.

"Advance" shall have the meaning set forth in Section 2.1(l)(i)(D) hereof.

"Bank" shall have the meaning set forth in the Preamble hereof.

"Business Day" means any day except a Saturday, Sunday, or other day on which banks in Salt Lake City, Utah or the State are authorized to close.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commencement Date" means the date this Lease is executed by the Bank and the Lessee.

"Environmental Law" means all federal, state or local laws, statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law relating to public health and safety, worker health and safety, pollution, the environment, wetlands, the preservation and reclamation of natural resources or waste management, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, solvents, urea formaldehyde, dioxins, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect. The term Environmental Law shall include (by way of illustration rather than limitation) the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Section 135, et seq., and the Hazardous Materials Transportation Act, 39 U.S.C. Section 1801, et seq. and any regulations, guidelines, directives or other interpretations of any such enactment, all as amended from time to time.

"Event of Nonappropriation" shall have the meaning set forth in Section 3.2 hereof.

"Existing Property" shall have the meaning set forth in the Whereas clauses hereof.

"Existing Property Limited Lease Purposes" shall have the meaning set forth in Section 3.1(a) hereof.

"Existing Property Limited Lease Purposes Rental Value" shall have the meaning set forth in Section 3.1(a) hereof.

“Financed Property” shall have the meaning set forth in the Whereas clauses hereof.

“Governing Body” means the governing body of the Lessee.

“Hazardous Materials” means any hazardous, dangerous or toxic chemical, waste, byproduct, pollutant, contaminant, compound, product or substance the manufacture, storage, transport, generation, use, treatment, exposure to, release, threatened release, discharge, remediation, cleanup, abatement, removal, possession, recycling, disposal or other disposition of which is prohibited or regulated (including without limitation, being subjected to notice, reporting, record keeping, or clean-up requirements) by any Environmental Law.

“Lease Payments” means the rental payments described in Exhibit A hereto.

“Lease Payment Date” shall have the meaning set forth in Section 3.4(a) hereof.

“Leased Property” shall have the meaning set forth in the Whereas clauses hereof.

“Lessee” shall have the meaning set forth in the Preamble hereof.

“Net Proceeds” means insurance or eminent domain proceeds received with respect to the Leased Property less expenses incurred in connection with the collection of such proceeds.

“Obligation Instrument” shall have the meaning set forth in Section 2.1(c) hereof.

“Original Term” shall have the meaning set forth in Section 3.2 hereof.

“Permitted Encumbrances” means, as of any particular time: (i) liens for taxes and assessments, if any, not then delinquent, or which the Lessee may, pursuant to provisions of Section 5.3 hereof, permit to remain unpaid; (ii) this Lease; (iii) any contested right or claim of any mechanic, laborer, materialman, supplier or vendor filed or perfected in the manner prescribed by law to the extent permitted under Section 5.4(b) hereof; (iv) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the execution date of this Lease and which the Lessee hereby certifies will not materially impair the use of the Leased Property by the Lessee; and (v) other rights, reservations, covenants, conditions or restrictions established following the date of execution of this Lease and to which the Bank and the Lessee consent in writing.

“Rebate Exemption” shall have the meaning set forth in Section 2.1(I)(ii)(A) hereof.

“Regulations” shall have the meaning set forth in Section 2.1(I)(i) hereof.

“Renewal Term” shall have the meaning set forth in Section 3.2 hereof.

“Scheduled Term” shall have the meaning set forth in Section 3.2 hereof.

“State” shall have the meaning set forth in the Preamble hereof.

“Term” or “Term of this Lease” means the Original Term and all Renewal Terms provided for in this Lease under Section 3.2 until this Lease is terminated as provided in Section 3.3 hereof.

SECTION 1.2 Exhibits. Exhibits A, B, C, D and E attached to this Lease are by this reference made a part of this Lease.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants to the Bank as follows:

(a) Due Organization and Existence. The Lessee is a public agency of the State duly organized and existing under the Constitution and laws of the State.

(b) Authorization; Enforceability. The Constitution and laws of the State authorize the Lessee to enter into this Lease and to enter into the transactions contemplated by, and to carry out its obligations under, this Lease. The Lessee has duly authorized, executed and delivered this Lease in accordance with the Constitution and laws of the State. This Lease constitutes the legal, valid and binding special obligation of the Lessee enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

(c) No Conflicts or Default; Other Liens or Encumbrances. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby (i) conflicts with or results in a breach of the terms, conditions, provisions, or restrictions of any existing law, or court or administrative decree, order, or regulation, or agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, **including without limitation any agreement or instrument pertaining to any bond, note, lease, certificate of participation, debt instrument, or any other obligation of the Lessee** (any such bond, note, lease, certificate of participation, debt instrument, and other obligation being referred to herein as an "Obligation Instrument"), (ii) constitutes a default under any of the foregoing, or (iii) results in the creation or imposition of any pledge, lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessee, or upon the Leased Property except for Permitted Encumbrances.

By way of example, and not to be construed as a limitation on the representations set forth in the immediately preceding paragraph:

(A) no portion of the Leased Property is pledged to secure any Obligation Instrument; and

(B) the interests of the Lessor in the Leased Property hereunder do not violate the terms, conditions or provisions of any restriction or revenue pledge in any agreement or instrument pertaining to any Obligation Instrument.

If any Obligation Instrument existing on the date of execution of this Lease creates any pledge, lien, charge or encumbrance on any revenues, property or assets associated with the Existing Property and/or the Financed Property that is higher in priority to the Bank's interests therein under this Lease, the Bank hereby subordinates its interests therein, but only to the extent required pursuant to such existing Obligation Instrument.

(d) Compliance with Open Meeting Requirements. The Governing Body has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Lessee's execution of this Lease was authorized.

(e) Compliance with Bidding Requirements. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property pursuant to this Lease, or the Governing Body and the Lessee have complied with all such procurement and public bidding laws as may be applicable hereto.

(f) No Adverse Litigation. There are no legal or governmental proceedings or litigation pending, or to the best knowledge of the Lessee threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling, or finding might adversely affect the transaction contemplated in or the validity of this Lease.

(g) Opinion of Lessee's Counsel. The letter attached to this Lease as Exhibit [D] is a true opinion of Lessee's counsel.

(h) Governmental Use of Leased Property. During the Term of this Lease, the Leased Property will be used solely by the Lessee, and only for the purpose of performing one or more governmental or proprietary functions of the Lessee consistent with the permissible scope of the Lessee's authority, and the Leased Property will not be subject to any direct or indirect private business use.

(i) Other Representations and Covenants. The representations, covenants, warranties, and obligations set forth in this Article are in addition to and are not intended to limit any other representations, covenants, warranties, and obligations set forth in this Lease.

(j) No Nonappropriations. The Lessee has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any municipal lease of the same general nature as this Lease, or under any of its bonds, notes, or other obligations of indebtedness for which its revenues or general credit are pledged.

(k) No Legal or Environmental Violation. The Leased Property is not, and at all times during the Term of this Lease will not be in violation of any federal, state or local law, statute, ordinance or regulation, including without limitation, any Environmental Law, to the best of the Lessee's knowledge. Neither the Lessee nor, to the best of Lessee's knowledge, any third party, has used, generated, manufactured, stored or disposed of on, under or about the Leased Property or transported to or from the Leased Property any Hazardous Materials.

In the event Hazardous Materials are discovered, and must be removed or remediated, and to the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, and its directors, officers, shareholders, employees, and agents, and successors to the Bank's interest in the chain of title to the Leased Property, and their directors, officers, shareholders, employees, and agents, from and against any and all loss, claim, damages, expense or liability, including reasonable attorneys' fees and other litigation expenses, to the full extent of such action as attributable, directly or indirectly, to:

(i) the presence or use of, generation, storage, release, threatened release, or disposal of Hazardous Materials by any person on, in or under the Leased Property;

- (ii) use of the Leased Property or any part thereof as a dump site, permanent or temporary storage site or transfer station for any Hazardous Materials;
- (iii) violation of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property; and
- (iv) any action or proceeding before any court, quasi-judicial body or administrative agency relating to the enforcement of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property;

including, without limitation, all foreseeable and all unforeseeable consequential damages, directly or indirectly arising out of the use, generation, manufacture, storage, or disposal of Hazardous Materials, by the Lessee or any prior owner or operator of the Leased Property, including, without limitation, the cost of any required and necessary repair, cleanup, remediation, or detoxification and the preparation of any disclosure, or other required plans, whether such action is required or necessary prior to or following transfer of title to the Leased Property.

(l) General Tax and Arbitrage Representations and Covenants.

(i) The certifications and representations made by the Lessee in this Lease are intended, among other purposes, to be a certificate permitted in Section 1.148-2(b) of the Treasury Regulations promulgated pursuant to Section 148 of the Code (the "Regulations"), to establish the reasonable expectations of the Lessee at the time of the execution of this Lease made on the basis of the facts, estimates and circumstances in existence on the date hereof. The Lessee further certifies and covenants as follows:

(A) The Lessee has not been notified of any disqualification or proposed disqualification of it by the Commissioner of the Internal Revenue Service as an issuer which may certify bond issues.

(B) To the best knowledge and belief of the Lessee, there are no facts, estimates or circumstances that would materially change the conclusions, certifications or representations set forth in this Lease, and the expectations herein set forth are reasonable.

(C) The Scheduled Term of this Lease does not exceed the useful life of the Financed Property, and the weighted average term of this Lease does not exceed the weighted average useful life of the Financed Property.

(D) Each advance of funds by the Bank to finance Financed Property under this Lease (each an "Advance") will occur only when and to the extent that the Lessee has reasonably determined and identified the nature, need, and cost of each item of Financed Property pertaining to such Advance.

(E) No use will be made of the proceeds of this Lease or any such Advance, or any funds or accounts of the Lessee which may be deemed to be proceeds of this Lease or any such Advance, which use, if it had been reasonably expected on the date of the execution of this Lease or of any such Advance, would have caused this Lease or any such Advance to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code.

(F) The Lessee will at all times comply with the rebate requirements of Section 148(f) of the Code as they pertain to this Lease, to the extent applicable.

(G) In order to preserve the status of this Lease and the Advances as other than "private activity bonds" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease and any such Advances are outstanding and unpaid:

(I) none of the proceeds from this Lease or the Advances or any facilities or assets financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code;

(II) the Lessee will not allow any such "private business use" to be made of the proceeds of this Lease or the Advances or any facilities or assets financed therewith; and

(III) none of the Advances or Lease Payments due hereunder shall be secured in whole or in part, directly or indirectly, by any interest in any property used in any such "private business use" or by payments in respect of such property, and shall not be derived from payments in respect of such property.

(H) The Lessee will not take any action, or omit to take any action, which action or omission would cause the interest component of the Lease Payments to be ineligible for the exclusion from gross income as provided in Section 103 of the Code.

(I) The Lessee is a "governmental unit" within the meaning of Section 141(b)(6) of the Code.

(J) The obligations of the Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(K) This Lease and the Advances to be made pursuant hereto will not reimburse the Lessee for any expenditures incurred prior to the date of this Lease and do not constitute a "refunding issue" as defined in Section 1.150-1(d) of the Regulations, and no part of the proceeds of this Lease or any such Advances will be used to pay or discharge any obligations of the Lessee the interest on which is or purports to be excludable from gross income under the Code or any predecessor provision of law.

(L) In compliance with Section 149(e) of the Code relating to information reporting, the Lessee will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, within fifteen (15) days from the execution of this Lease, IRS Form 8038-G or 8038-GC, as appropriate, reflecting the total aggregate amount of Advances that can be made pursuant to this Lease.

(M) None of the proceeds of this Lease or the Advances to be made hereunder will be used directly or indirectly to replace funds of the Lessee used

directly or indirectly to acquire obligations at a yield materially higher than the yield on this Lease or otherwise invested in any manner. No portion of the Advances will be made for the purpose of investing such portion at a materially higher yield than the yield on this Lease.

(N) Inasmuch as Advances will be made under this Lease only when and to the extent the Lessee reasonably determines, identifies and experiences the need therefor, and will remain outstanding and unpaid only until such time as the Lessee has moneys available to repay the same, the Lessee reasonably expects that (I) the Advances will not be made sooner than necessary; (II) no proceeds from the Advances will be invested at a yield higher than the yield on this Lease; and (III) the Advances and this Lease will not remain outstanding and unpaid longer than necessary.

(O) The Lessee will either (i) spend all of the moneys advanced pursuant to this Lease immediately upon receipt thereof, without investment, on the portion of the Financed Property that is to be financed thereby; or (ii) invest such moneys at the highest yield allowable and practicable under the circumstances until they are to be spent on the portion of the Financed Property that is to be financed thereby, and track, keep records of, and pay to the United States of America, all rebatable arbitrage pertaining thereto, at the times, in the amounts, in the manner, and to the extent required under Section 148(f) of the Code and the Treasury Regulations promulgated in connection therewith. At least five percent (5%) of the total amount of moneys that are expected to be advanced pursuant to this Lease are reasonably expected to have been expended on the Financed Property within six (6) months from the date of this Lease. All moneys to be advanced pursuant to this Lease are reasonably expected to have been expended on the Financed Property no later than the earlier of: (I) the date twelve (12) months from the date such moneys are advanced; and (II) the date three (3) years from the date of this Lease.

(P) This Lease and the Advances to be made hereunder are not and will not be part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the regulations promulgated in connection therewith (I) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (II) overburdening the tax-exempt bond market, as those terms are used in Section 1.148-10(a)(2) of the Regulations.

(Q) To the best of the knowledge, information and belief of the Lessee, the above expectations are reasonable. On the basis of the foregoing, it is not expected that the proceeds of this Lease and the Advances to be made hereunder will be used in a manner that would cause this Lease or such Advances to be "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, and to the best of the knowledge, information and belief of the Lessee, there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

(ii) Arbitrage Rebate Under Section 148(f) of the Code. With respect to the arbitrage rebate requirements of Section 148(f) of the Code, either (check applicable box):

(A) Lessee Qualifies for Small Issuer Exemption from Arbitrage Rebate. The Lessee hereby certifies and represents that it qualifies for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Advances made under this Lease (the "Rebate Exemption") as follows:

(1) The Lessee has general taxing powers.

(2) Neither this Lease, any Advances to be made hereunder, nor any portion thereof are private activity bonds as defined in Section 141 of the Code ("Private Activity Bonds").

(3) Ninety-five percent (95%) or more of the net proceeds of the Advances to be made hereunder are to be used for local government activities of the Lessee (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the Lessee).

(4) Neither the Lessee nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt obligations other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during the current calendar year, including the Advances to be made hereunder, which in the aggregate would exceed \$5,000,000 in face amount, or \$15,000,000 in face amount for such portions, if any, of any tax-exempt obligations of the Lessee and any aggregated issuer as are attributable to construction of public school facilities within the meaning of Section 148(f)(4)(D)(vii) of the Code.

For purposes of this Section, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee.

The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(i)(IV) of the Code.

Accordingly, the Lessee will qualify for the Rebate Exemption granted to governmental units issuing less than \$5,000,000 under Section 148(f)(4)(D) of the Code (\$15,000,000 for the financing of public school facilities construction as described above), and the Lessee shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to this Lease and the Advances to be made hereunder.

- or -

(B) Lessee Will Keep Records of and Will Rebate Arbitrage. The

Lessee does not qualify for the small issuer Rebate Exemption described above, and the Lessee hereby certifies and covenants that it will account for, keep the appropriate records of, and pay to the United States, the rebate amount, if any, earned from the investment of gross proceeds of this Lease and the Advances to be made hereunder, at the times, in the amounts, and in the manner prescribed in Section 148(f) of the Code and the applicable Regulations promulgated with respect thereto.

(m) Small Issuer Exemption from Bank Nondeductibility Restriction. Based on the following representations of the Lessee, the Lessee hereby designates this Lease and the interest components of the Lease Payments hereunder as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code: (i) this Lease and the Lease Payments hereunder are not private activity bonds within the meaning of Section 141 of the Code; (ii) the Lessee reasonably anticipates that it, together with all "aggregated issuers," will not issue during the current calendar year obligations (other than those obligations described in clause (iii) below) the interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code which, when aggregated with this Lease, will exceed an aggregate principal amount of \$10,000,000; (iii) and notwithstanding clause (ii) above, the Lessee and its aggregated issuers may have issued in the current calendar year and may continue to issue during the remainder of the current calendar year private activity bonds other than qualified 501(c)(3) bonds as defined in Section 145 of the Code. For purposes of this subsection, "aggregated issuer" means any entity which (a) issues obligations on behalf of the Lessee, (b) derives its issuing authority from the Lessee, or (c) is subject to substantial control by the Lessee. The Lessee hereby certifies and represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code.

SECTION 2.2 Representations, Covenants and Warranties of the Bank. The Bank is a national banking association, duly organized, existing and in good standing under and by virtue of the laws of the United States of America, has the power to enter into this Lease, is possessed of full power to own and hold real and personal property, and to lease and sell the same, and has duly authorized the execution and delivery of this Lease. This Lease, constitutes the legal, valid and binding obligation of the Bank, enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles affecting the rights of creditors generally.

ARTICLE III

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

SECTION 3.1 Lease.

(a) Lease of Existing Property to Bank. The Lessee hereby leases the Existing Property, if any, to the Bank, for the sole purpose, and to the limited extent necessary, to provide access, ingress, egress, support, and/or parking, to, from, and for the Financed Property (the "Existing Property Limited Lease Purposes"). The Bank shall pay annually, to the Lessee, as rental for the Existing Property, the fair rental value of the Existing Property Limited Lease Purposes (the "Existing Property Limited Lease Purposes Rental Value"), plus the sum of \$1.00.

For the sake of the Lessee's ease and convenience, for so long as the Lessee subleases the Existing Property from the Bank under Section 3.1(b) below:

(i) the subrental payment due under Section 3.1(b) from the Lessee to the Bank, for the Lessee's subrental of the Existing Property from the Bank; and

(ii) the rental payment (in excess of \$1.00) due under this Section 3.1(a) from the Bank to the Lessee, for the Bank's rental of the Existing Property from the Lessee;

both such amounts being equal to the Existing Property Limited Lease Purposes Rental Value, shall be netted against each other, and both of such payments shall be deemed to have occurred simultaneously, leaving the balance of \$1.00 net to be paid by the Bank to the Lessee annually for the limited rental of the Existing Property pursuant to this Section 3.1(a); provided, however, that the Bank shall continue to pay the Existing Property Limited Lease Purposes Rental Value to the Lessee as the annual lease payment for the limited rental of the Existing Property under this Section 3.1(a) in the event the Bank subleases the Existing Property to other parties as provided herein; and further provided that in the Event of Nonappropriation of Lease Payments as provided in Section 3.5, or an event of default hereunder, as provided in Section 7.2, the Bank may take possession of the Existing Property and sublease the Existing Property to other parties solely for the Existing Property Limited Lease Purposes as provided in Section 3.5.

(b) Sublease of Existing Property, if any, and Lease of Financed Property to Lessee. The Bank hereby subleases the Existing Property, if any, to the Lessee for an annual rental that the Lessee hereby agrees to pay to the Bank equal to the Existing Property Limited Lease Purposes Rental Value described in Section 3.1(a), and leases the Financed Property to the Lessee for a rental that the Lessee hereby agrees to pay to the Bank at the times and in the amounts described in Section 3.4, and the Lessee hereby leases the Leased Property from the Bank, upon the terms and conditions set forth herein. This Lease shall not operate as a merger of the Lessee's leasehold estate in the Financed Property pursuant to this Lease and its fee estate in the Existing Property and shall not cause the extinguishment of the leasehold interest in the Existing Property granted to the Bank under Section 3.1(a).

Concurrently with its execution of this Lease, the Lessee shall deliver to the Bank fully completed documents substantially in the forms attached hereto as Exhibits B, C, D and E hereto.

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D and E attached hereto, and continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the "Original Term"). Thereafter, this Lease will be extended for 5 successive additional periods of one year coextensive with Lessee's fiscal year, except for the last such period which may be less than a full fiscal year, (each, a "Renewal Term") subject to an Event of Nonappropriation as described herein below in this Section 3.2 and in Section 3.3(a), with the final Renewal Term ending on March 22, 2017, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the "Scheduled Term" irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein. The lease of the Existing Property, if any, to the Bank pursuant to Section 3.1(a) shall have a term equal to the Term of this Lease unless this Lease is terminated pursuant to Section 3.3(a) or (c) in which case the term of the lease to the Bank of the Existing Property shall extend for the Scheduled Term plus an additional term equal to the shorter of: (i) the maximum term permitted by applicable State law; or (ii) ten (10) years.

If Lessee does not appropriate funds for the payment of Lease Payments due for any Renewal Term in the adopted budget of the Lessee for the applicable fiscal year (an "Event of Nonappropriation"), this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Bank of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect.

SECTION 3.3 Termination. This Lease will terminate upon the earliest of any of the following events; provided that in the event of termination pursuant to paragraphs (a) or (c) below, the lease of the Existing Property, if any, to the Bank pursuant to Section 3.1(a) shall continue in full force and effect:

(a) upon the expiration of the Original Term or any Renewal Term of this Lease following an Event of Nonappropriation;

(b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Financed Property;

(c) a default by Lessee and Bank's election to terminate this Lease under Article VII herein; or

(d) the expiration of the Scheduled Term of this Lease, the Lessee having made payment of all Lease Payments accrued to such date.

SECTION 3.4 Lease Payments.

(a) Time and Amount. During the Term of this Lease and so long as this Lease has not terminated pursuant to Section 3.3, in addition to the annual Existing Property Limited Lease Purposes Rental Value to be paid by the Lessee to the Bank for the sublease by the Lessee of the Existing Property from the Bank pursuant to Section 3.1(a), the Lessee agrees to pay to the Bank, its successors and assigns, as annual rental for the use and possession of the Financed Property, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit A, to be due and payable in arrears on each payment date identified in Exhibit A (or if such day is not a Business Day, the next succeeding Business Day) specified in Exhibit A (the "Lease Payment Date").

(b) Rate on Overdue Payments. In the event the Lessee should fail to make any of the Lease Payments required in this Section, the Lease Payment in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay the same with interest thereon, to the extent permitted by law, from the date such amount was originally payable at the rate equal to the original interest rate payable with respect to such Lease Payments.

(c) Additional Payments. Any additional payments required to be made by the Lessee hereunder, including but not limited to Sections 4.1, 5.3, and 7.4 of this Lease, shall constitute additional rental for the Leased Property.

SECTION 3.5 Possession and Sublease of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a) or 3.3(c), the Lessee shall transfer the Financed Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Financed Property by virtue of the Bank's ownership interest as lessor of the Financed Property, and to take possession of the Existing Property by virtue of the Bank's leasehold

interest in the Existing Property under Section 3.1(a) and at the Bank's discretion, sublease the Existing Property to another entity for a term not to exceed the Scheduled Term plus an additional term as provided in Section 3.2 hereof; provided, however, that in such event, the Bank's use of the Existing Property, if any, shall be solely for the Existing Property Limited Lease Purposes described in Section 3.1(a) and the Bank will pay to the Lessee the annual Existing Property Limited Lease Purposes Rental Value described in Section 3.1(a) for such minimal use of the Existing Property during the term of such use.

To the extent the Financed Property is equipment or fixtures, the Lessee at the Bank's direction shall ship such Financed Property to the destination designated by the Bank by loading such Financed Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

SECTION 3.6 No Withholding. Notwithstanding any dispute between the Bank and the Lessee in connection with this Lease or otherwise, including a dispute as to the failure of any portion of the Leased Property in use by or possession of the Lessee to perform the task for which it is leased, the Lessee shall make all Lease Payments when due and shall not withhold any Lease Payments pending the final resolution of such dispute.

SECTION 3.7 Lease Payments to Constitute a Current Obligation of the Lessee. Notwithstanding any other provision of this Lease, the Lessee and the Bank acknowledge and agree that the obligation of the Lessee to pay Lease Payments hereunder constitutes a current special obligation of the Lessee payable exclusively from current and legally available funds and shall not in any way be construed to be an indebtedness of the Lessee within the meaning of any constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general tax revenues or credit of the Lessee to the payment of the Lease Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Lease Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

SECTION 3.8 Net Lease. This Lease shall be deemed and construed to be a "net-net-net lease" and the Lessee hereby agrees that the Lease Payments shall be an absolute net return to the Bank, free and clear of any expenses, charges or set-offs whatsoever, except as expressly provided herein.

SECTION 3.9 Offset. Lease Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set-off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Lease Payments or other sums for any reason whatsoever, including, but not limited to: (i) any accident or unforeseen circumstances; (ii) any damage or destruction of the Leased Property or any part thereof; (iii) any restriction or interference with Lessee's use of the Leased Property; (iv) any defects, breakdowns, malfunctions, or unsuitability of the Leased Property or any part thereof; or (v) any dispute between the Lessee and the Bank, any vendor or manufacturer of any part of the Leased Property, or any other person.

ARTICLE IV

INSURANCE

SECTION 4.1 Insurance. Lessee, at Bank's option, will either self insure, or at Lessee's cost, will cause casualty insurance, public liability insurance, and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price

paid for the Leased Property), and to be in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be the named insured on such policies as its interest under this Lease may appear. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance satisfactory to Bank, if any, together with receipts for the initial premiums before the Leased Property is delivered to Lessee. Renewal policies, if any together with receipts showing payment of the applicable premiums will be delivered to Bank at least thirty (30) days before termination of the policies being renewed. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workmen's compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE V

COVENANTS

SECTION 5.1 Use of the Leased Property. The Lessee represents and warrants that it has an immediate and essential need for the Leased Property to carry out and give effect to the public purposes of the Lessee, which need is not temporary or expected to diminish in the foreseeable future, and that it expects to make immediate use of all of the Leased Property.

SECTION 5.2 Interest in the Leased Property and this Lease. The Bank does and shall hold a leasehold interest in the Existing Property. Upon expiration of the Term as provided in Section 3.3(b) or

3.3(d) hereof, all right, title and interest of the Bank in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer.

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

(a) Maintenance; Repair and Replacement. Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all repair and maintenance of the Leased Property shall be the responsibility of the Lessee, and the Lessee shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property excepting ordinary wear and tear, and the Lessee hereby covenants and agrees that it will comply with all vendors' and manufacturers' maintenance and warranty requirements pertaining to the Leased Property. In exchange for the Lease Payments herein provided, the Bank agrees to provide only the Leased Property, as hereinbefore more specifically set forth.

(b) Tax and Assessments; Utility Charges. The Lessee shall also pay or cause to be paid all taxes and assessments, including but not limited to utility charges, of any type or nature charged to the Lessee or levied, assessed or charged against any portion of the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

(c) Contests. The Lessee may, at its expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom; provided that prior to such nonpayment it shall furnish the Bank with the opinion of an independent counsel acceptable to the Bank to the effect that, by nonpayment of any such items, the interest of the Bank in such portion of the Leased Property will not be materially endangered and that the Leased Property will not be subject to loss or forfeiture. Otherwise, the Lessee shall promptly pay such taxes, assessments or charges or make provisions for the payment thereof in form satisfactory to the Bank.

SECTION 5.4 Modification of the Leased Property.

(a) Additions, Modifications and Improvements. The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Leased Property if such improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law or in any way which would impair the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments; and the Leased Property, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is not substantially less than the value of the Leased Property immediately prior to the making of such additions, modifications and improvements.

(b) No Liens. Except for Permitted Encumbrances, the Lessee will not permit (i) any liens or encumbrances to be established or remain against the Leased Property or (ii) any

mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Lessee pursuant to this Section; provided that if any such mechanic's lien is established and the Lessee shall first notify or cause to be notified the Bank of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Bank with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Bank. The Bank will cooperate fully in any such contest.

SECTION 5.5 Permits. The Lessee will provide all permits and licenses necessary for the ownership, possession, operation, and use of the Leased Property, and will comply with all laws, rules, regulations, and ordinances applicable to such ownership, possession, operation, and use. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Leased Property, such changes or additions will be made by the Lessee at its own expense.

SECTION 5.6 Bank's Right to Perform for Lessee. If the Lessee fails to make any payment or to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, the Bank may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and the expense of any such action incurred by the Bank, as the case may be, will be deemed to be additional rent payable by the Lessee on the Bank's demand.

SECTION 5.7 Bank's Disclaimer of Warranties. The Bank has played no part in the selection of the Financed Property, the Lessee having selected the Financed Property independently from the Bank. The Bank, at the Lessee's request, has acquired or arranged for the acquisition of the Financed Property and shall lease the same to the Lessee as herein provided, the Bank's only role being the facilitation of the financing of the Financed Property for the Lessee. THE BANK MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE LESSEE OF THE LEASED PROPERTY, OR ANY PORTION THEREOF. THE LESSEE ACKNOWLEDGES THAT THE BANK IS NOT A MANUFACTURER OR VENDOR OF ALL OR ANY PORTION OF THE LEASED PROPERTY, AND THAT THE LESSEE IS LEASING THE LEASED PROPERTY AS IS. In no event shall the Bank be liable for incidental, direct, indirect, special or consequential damages, in connection with or arising out of this Lease, for the existence, furnishing, functioning or Lessee's use and possession of the Leased Property.

SECTION 5.8 Indemnification. To the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, its directors, officers, shareholders, employees, agents, and successors from and against any loss, claim, damage, expense, and liability resulting from or attributable to the acquisition, construction, or use of the Leased Property. Notwithstanding the foregoing, the Bank shall not be indemnified for any liability resulting from the gross negligence or willful misconduct of the Bank.

SECTION 5.9 Inclusion for Consideration as Budget Item. During the Term of this Lease, the Lessee covenants and agrees that it shall give due consideration, in accordance with applicable law, as an item for expenditure during its annual budget considerations, of an amount necessary to pay Lease Payments for the Leased Property during the next succeeding Renewal Term. Nothing herein shall be construed to direct or require that Lessee take or direct that any legislative act be done, or that the Governing Body of Lessee improperly or unlawfully delegate any of its legislative authority.

SECTION 5.10 Annual Financial Information. During the Term of this Lease, the Lessee covenants and agrees to provide the Bank as soon as practicable when they are available: (i) a copy of the Lessee's final annual budget for each fiscal year; (ii) a copy of the Lessee's most recent financial statements; and (iii) any other financial reports the Bank may request from time to time.

ARTICLE VI

ASSIGNMENT AND SUBLEASING

SECTION 6.1 Assignment by the Bank. The parties hereto agree that all rights of Bank hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part, including without limitation transfer to a trustee pursuant to a trust arrangement under which the trustee issues certificates of participation evidencing undivided interests in this Lease and/or the rights to receive Lease Payments hereunder, provided that notice of any such assignment, transfer or other disposition is given to Lessee.

SECTION 6.2 Assignment and Subleasing by the Lessee. The Lessee may not assign this Lease or sublease all or any portion of the Leased Property unless both of the following shall have occurred: (i) the Bank shall have consented to such assignment or sublease; and (ii) the Bank shall have received assurance acceptable to the Bank that such assignment or sublease: (A) is authorized under applicable state law, (B) will not adversely affect the validity of this Lease, and (C) will not adversely affect the exclusion from gross income for federal income tax purposes of the interest components of the Lease Payments.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1 Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Payment Default. Failure by the Lessee to pay any Lease Payment required to be paid hereunder by the corresponding Lease Payment Date.

(b) Covenant Default. Failure by the Lessee to observe and perform any warranty, covenant, condition or agreement on its part to be observed or performed herein or otherwise with respect hereto other than as referred to in clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the Lessee by the Bank; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Bank shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Bankruptcy or Insolvency. The filing by the Lessee of a case in bankruptcy, or the subjection of any right or interest of the Lessee under this Lease to any execution, garnishment or attachment, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the

Lessee in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

The foregoing provisions of this Section 7.1 are subject to the provisions of Section 3.2 hereof with respect to nonappropriation.

SECTION 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, the Bank shall have the right, at its sole option without any further demand or notice to take one or any combination of the following remedial steps:

(a) take possession of the Financed Property by virtue of the Bank's ownership interest as lessor of the Financed Property, and take possession of the Existing Property by virtue of the Bank's leasehold interest in the Existing Property under Section 3.1(a) and, at the Bank's discretion, sublease the Existing Property to another entity for a term not to exceed the Scheduled Term plus an additional term as provided in Section 3.2, hereof. The Bank shall have the right to retain all rental proceeds in the event of such sublease of the Existing Property.

(b) hold the Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the rent paid by a lessee of the Leased Property pursuant to such lease; and

(c) take whatever action at law or in equity may appear necessary or desirable to enforce its right hereunder.

Notwithstanding the foregoing, the Bank's interest in the Existing Property is a leasehold interest only and, therefore, the Bank shall have no right to sell or foreclose upon the Existing Property hereunder, if any.

SECTION 7.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

SECTION 7.4 Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party contained herein, the defaulting party agrees that it will pay on demand to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

SECTION 7.5 Waiver of Certain Damages. With respect to all of the remedies provided for in this Article VII, the Lessee hereby waives any damages occasioned by the Bank's repossession of the Financed Property upon an event of default.

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

SECTION 8.1 Extraordinary Prepayment From Net Proceeds. To the extent, if any, required pursuant to Section 4.1 the Lessee shall be obligated to purchase the Financed Property by prepaying the Lease Payments in whole or in part on any date, from and to the extent of any Net Proceeds or other moneys pursuant to Article IV hereof. The Lessee and the Bank hereby agree that in the case of such prepayment of the Lease Payments in part, such Net Proceeds or other moneys shall be credited toward the Lessee's obligations hereunder pro rata among Lease Payments so that following prepayment, the remaining annual Lease Payments will be proportional to the initial annual Lease Payments.

SECTION 8.2 Option to Purchase Leased Property. Subject to the terms and conditions of this Section, the Bank hereby grants an option to the Lessee to purchase all or a portion of the Leased Property by paying on any date a price equal to the portion of the outstanding principal component of the Lease Payments that is allocable to such portion of the Leased Property that is being so purchased, without premium, plus the accrued interest component of such portion of the Lease Payments to such payment date. To exercise this option, the Lessee must deliver to the Bank written notice specifying the date on which the Leased Property is to be purchased (the "Closing Date"), which notice must be delivered to the Bank at least thirty (30) days prior to the Closing Date specified therein. The Lessee may purchase the Leased Property pursuant to the option granted in this Section only if the Lessee has made all Lease Payments when due (or has remedied any defaults in the payment of Lease Payments, in accordance with the provisions of this Lease) and all other warranties, representations, covenants, and obligations of the Lessee under this Lease have been satisfied (or all breaches thereof have been waived by the Bank in writing).

Upon the expiration of the Scheduled Term of this Lease and provided that all conditions of the immediately preceding paragraph have been satisfied (except those pertaining to notice), the Lessee shall be deemed to have purchased the Leased Property (without the need for payment of additional moneys) and shall be vested with all rights and title to the Leased Property.

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 Notices. Unless otherwise specifically provided herein, all notices shall be in writing addressed to the respective party as set forth below (or to such other address as the party to whom such notice is intended shall have previously designated by written notice to the serving party), and may be personally served, telecopied, or sent by overnight courier service or United States mail:

If to Bank:

Zions First National Bank
Public Financial Services
One South Main Street, 17th Floor
Salt Lake City, Utah 84133
Attention: Mark Tsuyuki

If to the Lessee:

North Summit Fire Protection District
86 E. Center Street; PO Box 187
Coalville, UT 84017
Attention: Mark Robertson

Such notices shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted by 4:00 p.m. (Salt Lake City time) on a Business Day or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two

Business Days after delivery to such courier properly addressed; or (d) if by United States mail, four Business Days after depositing in the United States mail, postage prepaid and properly addressed.

SECTION 9.2 System of Registration. The Lessee shall be the Registrar for this Lease and the rights to payments hereunder. The Bank shall be the initial Registered Owner of rights to receive payments hereunder. If the Bank transfers its rights to receive payments hereunder, the Registrar shall note on this Lease the name and address of the transferee.

SECTION 9.3 Instruments of Further Assurance. To the extent, if any, that the Bank's interest in the Financed Property as Lessor under this Lease is deemed to be a security interest in the Financed Property, then the Lessee shall be deemed to have granted, and in such event the Lessee does hereby grant, a security interest in the Financed Property to the Bank, which security interest includes proceeds, and this Lease shall constitute a security agreement under applicable law. Concurrently with the execution of this Lease, the Lessee has executed, delivered, and filed and/or recorded all financing statements, UCC forms, mortgages, deeds of trust, notices, filings, and/or other instruments, in form required for filing and/or recording thereof, as are required under applicable law to fully perfect such security interest of the Bank in the Financed Property (collectively, "Security Documents"). Attached hereto as Exhibit E are copies of all such Security Documents. The Lessee will do, execute, acknowledge, deliver and record, or cause to be done, executed, acknowledged, delivered and recorded, such additional acts, notices, filings and instruments as the Bank may require in its sole discretion to evidence, reflect and perfect the title, ownership, leasehold interest, security interest and/or other interest of the Bank in and to any part or all of the Financed Property, promptly upon the request of the Bank.

SECTION 9.4 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Bank and the Lessee and their respective successors and assigns.

SECTION 9.5 Amendments. This Lease may be amended or modified only upon the written agreement of both the Bank and the Lessee.

SECTION 9.6 Section Headings. Section headings are for reference only, and shall not be used to interpret this Lease.

SECTION 9.7 Severability. In the event any provision of this Lease shall be held invalid or unenforceable by a court of competent jurisdiction, to the extent permitted by law, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 9.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between the Bank and the Lessee and supersedes any prior agreement between the Bank and the Lessee with respect to the Leased Property, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by both the Bank and the Lessee.

SECTION 9.9 Execution in Counterparts. This Lease may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third

arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

SECTION 9.11 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, the Bank has caused this Lease to be executed in its name by its duly authorized officer, and the Lessee has caused this Lease to be executed in its name by its duly authorized officer, as of the date first above written.

ZIONS FIRST NATIONAL BANK, as Lessor

By: _____
Authorized Officer

NORTH SUMMIT FIRE PROTECTION DISTRICT, as Lessee

By: _____

Title

STATE OF)
COUNTY OF)

On _____ before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary _____ (Seal)

STATE OF)
COUNTY OF)

On _____ before me, _____, Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary _____ (Seal)

EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE*

1. Interest. Interest components payable on the principal amount outstanding have been computed at the rate of 2.860 percent (2.86 %) per annum calculated based on actual number of days elapsed during a 360 day year.

2. Payment Dates and Amounts.

Payment Date Principal Component Interest Component Total Lease Payment

[SEE ATTACHED PAYMENT SCHEDULE]

North Summit Fire District, Utah

\$95,617 Real Property Lease

Dated: March 22, 2012

Table of Contents

Report

Debt Service Schedule 1

Sources & Uses 2

North Summit Fire District, Utah

\$95,617 Real Property Lease

Dated: March 22, 2012

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/22/2012	-	-	-	-	-
03/22/2013	18,060.38	2.860%	2,734.65	20,795.03	20,795.03
03/22/2014	18,576.90	2.860%	2,218.12	20,795.02	20,795.02
03/22/2015	19,108.20	2.860%	1,686.82	20,795.02	20,795.02
03/22/2016	19,654.70	2.860%	1,140.33	20,795.03	20,795.03
03/22/2017	20,216.82	2.860%	578.20	20,795.02	20,795.02
Total	\$95,617.00	-	\$8,358.12	\$103,975.12	-

Yield Statistics

Bond Year Dollars	\$292.24
Average Life	3.056 Years
Average Coupon	2.860028%
Net Interest Cost (NIC)	2.860028%
True Interest Cost (TIC)	2.860010%
Bond Yield for Arbitrage Purposes	2.860028%
All Inclusive Cost (AIC)	3.2284814%

IRS Form 8038

Net Interest Cost	2.860028%
Weighted Average Maturity	3.056 Years

North Summit Fire District, Utah

\$95,617 Real Property Lease

Dated: March 22, 2012

Sources & Uses

Dated 03/22/2012 | Delivered 03/22/2012

Sources Of Funds

Par Amount of Lease \$95,617.00

Total Sources **\$95,617.00**

Uses Of Funds

Deposit to Equipment Lease Purchase Fund 94,617.00

Set-up Fee 1,000.00

Total Uses **\$95,617.00**

EXHIBIT B

DESCRIPTION OF THE EXISTING PROPERTY, IF ANY

Coalville Fire Station located at 86 East Center, Coalville, UT 84017, described as follows:

[INSERT LEGAL DESCRIPTION HERE]

DESCRIPTION OF THE FINANCED PROPERTY

Remodel Entryway/Facade to the Station

DESCRIPTION OF THE LEASED PROPERTY

The "Leased Property" shall consist of the "Existing Property," if any, and the "Financed Property" described above.

EXHIBIT C

RESOLUTION OF GOVERNING BODY

A resolution approving the form of the Lease/Purchase Agreement with Zions First National Bank, Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The Board of Directors (the "Governing Body") of North Summit Fire Protection District (the "Lessee") has determined that the leasing of the property described in the Lease/Purchase Agreement (the "Lease/Purchase Agreement") presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

Whereas, the Governing Body has reviewed the form of the Lease/Purchase Agreement and has found the terms and conditions thereof acceptable to the Lessee; and

Whereas, either there are no legal bidding requirements under applicable law to arrange for the leasing of such property under the Lease/Purchase Agreement, or the Governing Body has taken the steps necessary to comply with the same with respect to the Lease/Purchase Agreement.

Be it resolved by the Governing Body of North Summit Fire Protection District as follows:

SECTION 1. The terms of said Lease/Purchase Agreement are in the best interests of the Lessee for the leasing of the property described therein.

SECTION 2. The appropriate officers and officials of the Lessee are hereby authorized and directed to execute and deliver the Lease/Purchase Agreement in substantially the form presented to this meeting and any related documents and certificates necessary to the consummation of the transactions contemplated by the Lease/Purchase Agreement for and on behalf of the Lessee. The officers and officials of the Lessee may make such changes to the Lease/Purchase Agreement and related documents and certificates as such officers and officials deem necessary or desirable, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. The officers and officials of the Governing Body and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

Adopted and approved this _____ day of _____, 2012.

By _____

Print Name _____

Title _____

Attest:

By _____

Print Name _____

Title _____

STATE OF UTAH

)

) ss.

COUNTY OF SUMMIT

)

I, _____ hereby certify that I am the duly qualified and acting
_____ of North Summit Fire Protection District (the "Lessee").
(Title)

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the governing body including a Resolution adopted at said meeting held on March 8, 2012, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on _____, 2012.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this _____ day of _____, _____.

By _____

Print Name _____

Title _____

EXHIBIT E

SECURITY DOCUMENTS

A copy of the foregoing Lease/Purchase Agreement to which this Exhibit E is attached shall be recorded at the office of the Recorder for the County in which the Existing Property referenced therein is located.

**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**
▶ Under Internal Revenue Code section 149(e)

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>	
1 Issuer's name North Summit Fire Protection District	2 Issuer's employer identification number 87 0560689	Room/suite	
3 Number and street (or P.O. box if mail is not delivered to street address) 86 East Center Street; P. O. Box 187		4 City, town, or post office, state, and ZIP code Coalville, Utah 84017	
5 Report number (For IRS Use Only) 5		6 Name and title of officer or legal representative whom the IRS may call for more information Mark Robertson - Treasurer	
7 Telephone number of officer or legal representative (435) 336-2221			

Part II Description of Obligations Check one: a single issue <input checked="" type="checkbox"/> or a consolidated return <input type="checkbox"/>	
8a Issue price of obligation(s) (see instructions)	8a
b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ▶ 03 / 22 / 2012	
9 Amount of the reported obligation(s) on line 8a that is:	
a For leases for vehicles	9a
b For leases for office equipment	9b
c For leases for real property	9c 95,617 00
d For leases for other (see instructions)	9d
e For bank loans for vehicles	9e
f For bank loans for office equipment	9f
g For bank loans for real property	9g
h For bank loans for other (see instructions)	9h
i Used to refund prior issue(s)	9i
j Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j
k Other	9k
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ▶ <input checked="" type="checkbox"/>	
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ▶ <input type="checkbox"/>	
12 Vendor's or bank's name: Zions First National Bank	
13 Vendor's or bank's employer identification number: 87 0189025	

Sign Here	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.	
	Issuer's authorized representative Mark Robertson - Treasurer	Date
Paid Preparer's Use Only	Preparer's signature	Date
	Firm's name (or yours if self-employed), address, and ZIP code	Check if self-employed <input type="checkbox"/>
EIN		Preparer's SSN or PTIN
Phone no. ()		

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.

Filing a separate return for a single issue. Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that

an election was made to pay a penalty in lieu of arbitrage rebate (see the line 11 instructions).

Filing a consolidated return for multiple issues. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To File

To file a separate return for a single issue, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.

To file a consolidated return for multiple issues, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.

Late filing. An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev.

Proc. 2002-48, 2002-2 C.B. 531, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "Request for Relief under Section 3 of Rev. Proc. 2002-48." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See *Where To File* below.

Where To File

File Form 8038-GC, and any attachments, with the Department of the Treasury, Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be Required

For rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal Government, use Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use Form 8038, Information Return for Tax-Exempt Private Activity Bond Issues.

Form 8038-GC Receipt Acknowledgement

If you wish to request an acknowledgement receipt of this return by the IRS you must provide the following:

Coalville Firestation

Permit \$1000.00

Mobilization \$2200.00

Site Security Fence \$1000.00

Site Toilet \$250.00

West Wall

Removal of overhead doors & re-install \$2500.00

Demolition of west wall & haul away debris \$5000.00

Steel for wall & headers \$6500.00

Framing Labor \$2500.00

Steel vertical siding/24 gauge & trim & installation \$3500.00

Insulate wall \$500.00

Sheetrock wall \$1500.00

Re-work electrical \$900.00

Paint wall & trim interior \$1000.00

Flashing & raingutter & downspouts/west wall & east side building \$5500.00

2X6 mounting frame doors \$1000.00

Clean up & misc finish up \$1000.00

Crack in center partition \$350.00

Dumpster for site \$350.00

Insulation & ceiling panels

Insulate bays & dropped ceiling over 2nd floor R-38 \$17,000.00

Re-work suspended ceiling \$1500.00

Concrete North Side of Building

Remove & haul away concrete & saturated soil \$3500.00 (1500 sq ft)

New grading material & compaction \$1000.00

4" new concrete 15'X100' 4000 psi w/micro fiber mesh material & labor
\$4300.00

Contingency 4% \$2560.00

Total Cost of Repairs \$66,410.00

Contractor Profit & Overhead 10% \$6641.00

TOTAL Estimate \$73,051.00

Option Concrete West Side of Building

Remove & haulaway concrete & saturated soil \$2500.00

New grading material & compaction \$1000.00

6" New concrete 85'X10' & 5'X20' (950 sq ft) 4000 w/micro fiber mesh
material & labor \$3500.00

Total of Option \$7000.00

Contractor Profit & Overhead 10% \$700.00

TOTAL of Option Estimate \$7700.00

Prep & re-paint block on Exterior of Building \$4795.00

Heat Tape (220 amp) Roof, Eve, Gutter & Downspouts \$3757.00

Remove & Replace Ceiling Tiles (Upper & Lower Level) \$3554.00

Bond Job \$500.00

Contractor Profit & Overhead 10% \$1260.00

TOTAL of requested bids \$13,866.00

Bid is based upon details provided by David May Architecture & McNeil Group Inc.
Any changes to description provided by Coalville Fire Dept. will result in adjusted costs.

Estimated completion 3 weeks from start date

ESCLAL-450-am, Birch Group, Property is a unit at ESCALA at the Canyons ski area. The unit received a BOE adjustment in 2010 that was not carried forward to the 2011 tax year in error. The applicable ruling is to carry the BOE value forward until such a time as the whole complex is reassessed. The value for the 2011 tax year should have been \$1,390,000 and the correct taxes should have been \$12,547.53 or a difference of \$ 2,653.67 refund

**AN ORDINANCE AMENDING THE
SUMMIT COUNTY MOSQUITO ABATEMENT DISTRICT**

ORDINANCE NO. ____

PREAMBLE

WHEREAS, pursuant to HB 263 (2011 General Session), modifications were made to Local Districts governing Mosquito Abatement Districts; and,

WHEREAS, this amendment modifies the Summit County Mosquito Abatement District to conform to the new provisions of law;

NOW, THEREFORE, the County Council of the County of Summit, State of Utah, ordains as follows:

Section 1. **Modifications.** The Summit County Mosquito Abatement District is hereby modified in accordance with Exhibit A, attached hereto and incorporated herewith by this reference.

Section 2. **Effective Date.** In order to preserve the peace, health, or safety of the County and the inhabitants thereof, this Ordinance shall take effect immediately upon publication in a newspaper published in and having general circulation in the County.

Enacted this __ day of _____, 2012.

ATTEST:

Summit County Council

Kent Jones
Summit County Clerk

David Ure, Chair

Approved as to Form
David L. Thomas
Chief Civil Deputy

VOTING OF COUNTY COUNCIL:

Councilmember Elliott	_____
Councilmember Robinson	_____
Councilmember Ure	_____
Councilmember Hanrahan	_____
Councilmember McMullin	_____

EXHIBIT A

Chapter 8 SUMMIT COUNTY MOSQUITO ABATEMENT DISTRICT

2-8-1: PURPOSE:

2-8-2: DISTRICT BOUNDARIES:

2-8-3: DEFINITIONS:

2-8-4: ESTABLISHMENT OF BOARD:

2-8-5: POWERS AND DUTIES OF BOARD:

2-8-6: TAXATION:

2-8-7: BUDGET POLICY:

2-8-8: BYLAWS:

2-8-9: INDEMNIFICATION:

2-8-10: INSURANCE:

2-8-11: POWERS AND DUTIES OF GENERAL MANAGER:

2-8-12: ANNUAL REPORT:

2-8-1: PURPOSE:

To take all necessary and proper steps for the extermination of mosquitoes, flies, crickets, grasshoppers, and other insects and for the abatement as nuisances of all stagnant pools of water and other breeding places contributing to the same either within the district or outside of the district if the lands inside of the district are benefited thereby. (Ord. 762, 7-20-2011)

2-8-2: DISTRICT BOUNDARIES:

The district boundary includes all lands within Summit County, excluding the Colony Development. (Ord. 762, 7-20-2011)

2-8-3: DEFINITIONS:

BOARD: The Summit County mosquito abatement district board of trustees.

COUNTY: Summit County, Utah.

COUNTY COUNCIL: The legislative body of Summit County.

COUNTY MANAGER: The chief executive officer of Summit County.

DISTRICT: The Summit County mosquito abatement district. (Ord. 762, 7-20-2011)

2-8-4: ESTABLISHMENT OF BOARD:

There is hereby established a board of trustees known as "the Summit County mosquito abatement district board of trustees", which shall be a board whose members are appointed by the county and its municipalities as prescribed herein. The county and its municipalities

hereby retain the authority to remove any or all board members with or without cause at their unfettered discretion.

- A. The board will be comprised of eleven (11) persons. Three (3) members shall be appointed by the county council from the unincorporated county, two (2) members shall be appointed by the Park City council, two (2) members shall be appointed by the Kamas City council, and one member each shall be appointed by the legislative bodies of Coalville City, Henefer City, Francis Town, and Oakley City.

- B. Compensation of the board members shall be set, from time to time, by resolution of the county council.

- C. The term of office for each board member shall be four (4) years with the first officers serving staggered terms of two (2), three (3), or four (4) years. In the event a member is unable to complete a term on the board, the county council or the respective legislative body of the municipality shall appoint an individual to complete the unexpired term.

- D. The board shall elect a president and vice president from members of the board.

- E. The board shall meet at least twice each year and conduct business in compliance with the Utah open meetings act, including public notification of meeting places, times and agenda items.

- F. Written minutes of each board meeting shall be prepared, preserved, and made available for public inspection.

- G. Each board member shall be responsible for attending all scheduled meetings of the board. Should circumstances arise where a member is unable to attend a scheduled meeting, the member shall be responsible for notifying the chair or his/her designee, as soon as possible. Members who fail to attend three (3) regular meetings of the board within any consecutive three (3) month period may, at the discretion of the county council, be removed from the board.

- H. The attendance of six (6) or more members of the board shall constitute a quorum. All official acts of the board shall be by majority vote of those then present. (Ord. 762, 7-20-2011)

2-8-5: POWERS AND DUTIES OF BOARD:

The board shall have all of the powers and duties specified in Utah Code Annotated sections 17B-1-101 et seq., and 17B-2a-701 et seq., excluding 17B-1-1002(1)(g), which includes the following authority and duties:

- A. To take all necessary and proper steps for the extermination of mosquitoes, flies, crickets, grasshoppers, and other insects within the district and to abate as nuisances all stagnant pools of water and other breeding places for mosquitoes, flies, crickets, grasshoppers, or other insects anywhere in the county so that mosquitoes therefrom may not migrate into the district.
- B. To enter upon territory referred to in subsection A of this section to inspect and examine the same, and remove therefrom without notice stagnant water or other breeding places for mosquitoes, flies, crickets, grasshoppers, or other insects.
- C. To purchase such supplies and materials and employ labor necessary or proper in furtherance of the purpose of this section, and if necessary or proper, build, construct, repair, and maintain necessary levees, cuts, canals, or channels upon any land within the district, and acquire by purchase, condemnation, or other lawful means in the name of the district any necessary lands, rights of way, easements, property, or materials requisite or necessary for any such purposes.
- D. To make contracts to indemnify or compensate any owner of land or other property for any injury or damage necessarily caused by the exercise of its powers or arising out of the use, taking or damage of property for any such purposes and generally to do any and all things necessary or incident to its powers and to carry out the purposes of this section.
- E. To appoint a general manager and provide for compensation of same. The general manager shall serve at the pleasure of the board.
- F. To convene meetings in accordance with the Utah open and public meetings act and conduct such business as is necessary to fulfill the duties of the board. (Ord. 762, 7-20-2011)

2-8-6: TAXATION:

The county council retains the sole authority to levy a tax within the district, in accordance

with Utah Code Annotated section 17B-1-1002(1)(g). In the event that the county council desires to levy a tax in excess of the amount provided for in Utah Code Annotated section 17B-1-1002(1)(g), an election of the residents of the district shall occur in accordance with Utah Code Annotated section 17B-2a-705. (Ord. 762, 7-20-2011)

2-8-7: BUDGET POLICY:

It shall be the duty of the board and its general manager to prepare an annual budget for the district which will conform to the uniform fiscal procedures act for special districts. (Ord. 762, 7-20-2011)

2-8-8: BYLAWS:

The board shall conduct its business according to the bylaws adopted by the board, with board meetings as needed to act on the business of the district. The bylaws may be amended from time to time by the board. (Ord. 762, 7-20-2011)

2-8-9: INDEMNIFICATION:

- A. The district shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil or criminal, administrative or investigative, by reason of the fact that he or she is or was the general manager, a trustee, director, officer, employee, or agent of the district. The indemnification shall be for all expenses (including attorney fees), judgments, fines, and amount paid in settlement, actually and reasonably incurred by him or her in connection with the action, suit, or proceeding, including any appeal of the action, suit or proceeding, if he or she acted in good faith or in a manner he or she reasonably believed to be in or not opposed to the best interests of the district, and with respect to any criminal action or proceeding, if he or she had no reasonable cause to believe the conduct was unlawful.

- B. Determination of any action, suit, or proceeding by judgment, order, settlement, conviction or on a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the party did not meet the applicable standard of conduct. Indemnification under this section may be paid by the district in advance of the final disposition of any action, suit, or proceeding, on a preliminary determination that the general manager, trustee, director, officer, employee, or agent met the applicable standard of conduct and on receipt of an undertaking by or on behalf of the general manager, a trustee, director, officer, employee, or agent to repay the amount, unless it is ultimately determined that he or she is not entitled to be indemnified by the district as authorized in this section.

- C. The district shall also indemnify the general manager, any trustee, director, officer, employee, or agent who has been successful on the merits or otherwise, in defense of any action, suit, or proceeding, or in defense of any claim, issue, or matter in the action, suit, or proceeding, against all expenses, including attorney fees, actually and reasonably incurred, without the necessity of an independent determination that the general manager, a trustee, director, officer, employee, or agent met any appropriate standard of conduct.

- D. The indemnification provided for in this section shall continue as to any person who has ceased to be the general manager, a trustee, director, officer, employee, or agent, and shall inure to the benefit of the heirs, executors, and administrators of that person. (Ord. 762, 7-20-2011)

2-8-10: INSURANCE:

The district shall have power to purchase and maintain insurance on behalf of any person who is the general manager, a trustee, director, officer, employee, or agent of the district against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the district would have authority to indemnify him or her against the liability under the provisions of this chapter, or under law. (Ord. 762, 7-20-2011)

2-8-11: POWERS AND DUTIES OF GENERAL MANAGER:

The board hereby delegates to a general manager the following powers, authorities, and duties:

- A. To govern the day to day operations of the district.
- B. To prepare, in cooperation with the board, an annual budget for the district in accordance with section 2-8-7 of this chapter.
- C. To provide a recommendation to the board as to the manner and method of administering the mosquito abatement program in the county, including the employment of appropriate personnel, contracts for services, the purchase or lease of land, the purchase, lease or construction of improvements, facilities, systems, equipment, and supplies.
- D. To provide a recommendation to the board as to the operation of the district including collection of revenues, disbursement of funds for expenses, custody of funds and such other usual and necessary legal authority required for the operation of the district.
- E. To receive recommendations from the board as to day to day operations of the district and any such other recommendations as the board may see fit to provide to the general manager. (Ord. 762, 7-20-2011)

2-8-12: ANNUAL REPORT:

The district shall make an annual presentation to the county council of its goals, budget, and activities. (Ord. 762, 7-20-2011)

MINUTES

SUMMIT COUNTY
BOARD OF COUNTY COUNCIL
WEDNESDAY, MAY 2, 2012
COUNCIL CHAMBERS
COALVILLE, UTAH

PRESENT:

David Ure, *Council Chair*
Claudia McMullin, *Council Vice Chair*
Sally Elliott, *Council Member*
John Hanrahan, *Council Member*
Chris Robinson, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*
Kent Jones, *Clerk*
Annette Singleton, *Office Manager*
Karen McLaws, *Secretary*

CLOSED SESSION

Council Member Robinson made a motion to convene in closed session for the purpose of discussing litigation. The motion was seconded by Council Member Elliott and passed unanimously, 5 to 0.

The Summit County Council met in closed session from 3:15 p.m. to 3:55 p.m. to discuss litigation. Those in attendance were:

David Ure, *Council Chair*
Claudia McMullin, *Council Vice Chair*
Sally Elliott, *Council Member*
John Hanrahan, *Council Member*
Chris Robinson, *Council Member*

Robert Jasper, *Manager*
Anita Lewis, *Assistant Manager*
Dave Thomas, *Deputy Attorney*

Council Member Hanrahan made a motion to dismiss from closed session and to convene in work session. The motion was seconded by Council Member McMullin and passed unanimously, 5 to 0.

WORK SESSION

Chair Ure called the work session to order at 4:00 p.m.

- **Council mail review**

Administration Office Manager Annette Singleton announced that the quarterly School District, County, and City breakfast meeting will be held Monday, May 21, at 8:00 a.m. at the Marriott Hotel. Park City will host the meeting.

Chair Ure noted that County Manager Bob Jasper has suggested that Wendy Fisher be scheduled for the May 9 meeting, and he requested that the Deer Meadow item and the Sundance item be scheduled on the May 23 agenda.

- **Discussion regarding possible amendments to Summit County's Optional Form of Government; Dave Thomas, Chief Civil Attorney**

Deputy County Attorney Dave Thomas presented the amendments to the Optional Form of Government that are proposed for placement on the November ballot with the changes requested by the County Council.

The Council Members discussed what would happen with litigation that does not involve a dollar amount. Mr. Thomas explained that, if there is no dollar amount and no land use dispute, the decision would default to the Manager. Any land use issue would have to be resolved by the County Council.

With regard to the changes to the Optional Form of Government to be adopted by ordinance, Council Member Elliott stated that she would like to go back to the original requirement that they interview people for the County Manager position who have experience and a background in government. Council Member Hanrahan stated that he liked the idea of having more flexibility in assessing candidates, and he believed they could find very well qualified people in private industry and might have a need for someone with a slightly different skill set. Council Member Elliott stated that she did not want to leave that as a legacy for her time in office. She stated that she worked very hard to get professional management for the County and wanted the requirements to stay in the realm of professional government managers. Council Member Hanrahan stated that those who select a new manager may decide they need a government manager, but he wanted to leave it open and give them an option. Mr. Jasper commented that he believed it was important to have a professional government manager in this position, and this would open the door to people who are not qualified to manage the County. Brian Bellamy, Director of Personnel Management, reported that he searched manager recruitment websites and Park City's job description for their manager. The common theme is that they require a bachelor's or master's degree in business or public administration, but they all asked for experience within a municipality except for one county that asked for a combination of private and public experience. He felt it was important to have someone with a background in the public sector and that it would be wise to leave that requirement in the ordinance. Council Member Robinson stated that he would be in favor of language emphasizing experience in the public sector but would not categorically preclude the private sector.

Mr. Jasper noted that the law regarding the County budget officer has changed, and he believed Mr. Thomas has anticipated that change, which does not go into effect for a couple of years. He believed the County Manager should be the budget officer under the coming change. Council Member Elliott stated that they left that open, because they want to be in compliance with State law and did not want to raise any red flags. Mr. Thomas confirmed that it states they will conform with State law, whatever the State law is.

Jeanina Rose asked if the County plans to implement this before the State's three-year trial period. Mr. Thomas explained that the County will comply with whatever the State law says. Until the three-year period is over, State law is that the Auditor is the budget officer. On the date the new law becomes effective, the budget officer will be the legislative body. Ms. Rose asked if the Council plans to give the budget officer position to the County Manager or whether one of the Council Members would be the budget officer. Mr. Thomas explained that the County legislative body as a whole will designate a budget officer. Council Member Robinson clarified that they do not know if the law will change at that time, but if it does go into effect, the legislative body at that time may designate a budget officer of their choice. That decision will be made by a future Council depending on State law at the time. Ms. Rose stated that, as a registered voter, she does not like the idea of more power going to a situation where voters do not have a say in it. As a voter, she has the option to vote for County Auditor. One of her concerns when the County went to this form of government is that, as a voter, she does not have the opportunity to have a say in who manages the budget if the Manager is the budget officer. If the Auditor is the budget officer, she can vote for or against the candidate for that office.

The Council Members further discussed the qualifications for Manager. Council Member McMullin stated that she would support the Fairfax County language that has a strong bias toward public experience but leaves a window open for someone who has similar skills in dealing with the public from the private sector.

Council Member Robinson referred to settlement of litigation and asked if there should be an obligation for the Manager to talk to the Council about litigation before agreeing to a settlement. Mr. Thomas stated that he believed that has been the practice. Mr. Jasper explained that the Manager should understand that he works for the Council, and he should keep them abreast of any lawsuits. Chair Ure suggested that, if they add language to that effect, it would need to be carefully worded so none of the Council Members believe they have the authority individually to make a decision. Council Member Robinson suggested that they add language stating that the County Manager shall keep the Council apprised of the status of any lawsuits.

- **Discussion regarding recommendations of RAP Tax Recreation Committee; Tim Douglas, Chair**

Tim Douglas, Chair of the RAP Tax Recreation Committee, explained that they are proposing that the County either bond or pull money from elsewhere for large projects. He noted that the County has the option to bond for up to 80%, which he estimated would be approximately \$4 to \$5 million. He discussed the decision process and reviewed the various projects using a \$3 million allocation, a \$3.5 million allocation, and a \$4 million allocation. He stated that the committee is recommending the \$4 million allocation.

Mr. Jasper noted that typically they would bond for long-term assets, not for smaller projects or for salaries. Mr. Douglas explained that one option would be to categorize the projects, bond for larger projects, and pay for the smaller projects out of the current collected dollars.

Mr. Douglas reviewed the individual projects and the committee's recommendations for each as contained in the Council Members' packets. Mr. Douglas stated that he believed the applicants would like to receive the money within the next two months, and if the County is going to bond, that process will take a minimum of six weeks.

Council Member Robinson stated that he would like to see the committee separate the capital and operating expenses. Council Member Hanrahan also requested that they separate the smaller projects that are not capital projects. Council Member Robinson requested that the committee then come back with a pro forma for a bond showing the 80% estimate, the debt service, term, etc. Council Member Hanrahan clarified that they still want to fund the operating expenses and smaller projects, but the money for those will come from existing funds. Council Member Robinson also requested that the \$400,000 for the North Summit Recreation District be tied to the outcome of their bond election.

REGULAR MEETING

Chair Ure called the regular meeting to order at 5:40 p.m.

- **Pledge of Allegiance**

CONSIDERATION AND POSSIBLE APPROVAL OF PAYMENT PLANS FOR 2012 TAX SALE PROPERTY; KATHRYN ROCKHILL, AUDITING TECH

Ralph Broderick explained that he inherited a cabin last year in bankruptcy court from the previous owner who owed him money and had put up the cabin for collateral. He stated that the bankruptcy court did not tell him the amount of property taxes owed, and when he received the tax notice at the end of last year, he learned that almost \$12,000 in property taxes were owed on the cabin. He explained that, if the court had told him the amount of taxes owed on the property, he would probably have looked at other options. He wanted to see what options the County might have available to set up a payment plan. He explained that, because of the economy and because he is in construction, it is very difficult to come up with this amount of money, and he hoped he could pay the taxes over a period of years.

Council Member Robinson commented that he did not believe the County had ever entered into an agreement to pay back taxes over a period of years. He would be in favor of a payment plan that would stop the sale and give Mr. Broderick until the end of the year to determine how to pay the past-due taxes.

Council Member Elliott stated that she would be willing to abate some of the penalties and interest. Council Member Hanrahan commented that would require more financial information, such as the value of the property and how much Mr. Broderick was owed. It could be that he got a very good deal, and he would not want to put the burden on the taxpayers by abating penalties and interest. That would also be an entirely different process.

Council Member Robinson made a motion to postpone the tax sale and that Mr. Broderick be allowed to make minimum payments of \$600 per month and pay off the outstanding balance by the end of 2012.

Council Member Elliott amended the motion to state that Mr. Broderick shall pay \$600 per month until the taxes are paid off.

Council Member Hanrahan expressed concern that allowing Mr. Broderick to pay off the amount due over two years would be precedent setting.

Council Member Robinson did not accept the amendment to his motion and stated that it would stand as originally made. The original motion was seconded by Council Member McMullin and passed by a vote of 4 to 1, with Council Members Hanrahan, McMullin, Robinson, and Ure voting in favor of the motion and Council Member Elliott voting against the motion.

Orion Bishop explained that, due to an investment failure and the loss of his retirement, he was unable to pay his taxes. He has won a lawsuit and has not yet been paid, and he needs about three or four months until the settlement comes to be able to pay the taxes in full. He explained that he is not in a position to make a monthly payment at this time, as he sold his assets in order to make a previous partial payment. He has applied for the “circuit breaker” for this year, and if he had known about it before, he could have saved several thousand dollars in property taxes.

Council Member McMullin made a motion to postpone the sale of Mr. Bishop’s property until the end of 2012 to allow him to pay off the past-due taxes. The motion was seconded by Council Member Hanrahan and passed unanimously, 5 to 0.

Craig Savage explained that he wants to get an extension so he does not get kicked out of his house until it sells, and then they will pay Summit County everything they owe. The Council Members confirmed that they had read the correspondence and understand the situation.

Council Member Elliott made a motion to delay the tax sale on the Cathleen Savage home to allow Mr. Savage to sell his home and pay the taxes at that time.

Council Member Hanrahan suggested that they put a time frame on the delay in order to be fair to the other applicants.

Nari Trotter with Park City Title explained that they made the County aware of the Savages’ situation several years ago, and former County Treasurer Glen Thompson made arrangements to abate the taxes on this property. Mrs. Savage died in August 2011, which left Craig alone in the house, and the financial situation is now worse than it was when the taxes were previously abated. Paul Gabriel, who formerly helped Mr. Savage, moved from Park City a couple of years ago and is not able to be here as much as he would like. The house is being cleaned up and prepared for sale this year, but Ms. Trotter was unsure how soon the house would sell.

Council Member Robinson amended the motion to state that they would postpone the sale for a year and that if it does not sell at that time, they would discuss this item again and determine what to do. Council Member Elliott accepted the amendment to the motion. The amended motion was seconded by Council Member McMullin.

Council Member Robinson clarified that there is a significant distinction between this case and the others, because in this case the house needs to sell, which is outside the control of the taxpayer. Before the house goes to tax sale next year and another charge is added, he would want this item to come back before the County Council.

The motion passed unanimously, 5 to 0.

Jack Brown, representing the resort developers International Holidays and Club Ritz, explained that he paid \$4,800 last year and assumed it would be applied to back taxes but then learned that it was applied to the current taxes. He proposed that he pay \$400 per month, and in November when they collect dues from their members, he could apply \$15,000 toward the past-due taxes. However, he acknowledged that would not clear up all of the taxes due, and it would probably take another year to bring the taxes current.

Council Member Robinson asked what would prevent Mr. Brown from sending the club members a pro-rata assessment for their share of the back taxes and the current year's tax. Mr. Brown explained that the club membership was sold on a 40-year right to use, and they try to keep the payments to a bare minimum. Council Member Robinson stated that with 225 members, they should be able to pay their taxes, and he believed they should be brought current by the end of 2012. Mr. Brown explained that the club made allowance for taxes but chose last year to spend \$30,000 to make improvements. Council Member Robinson noted that is not the County's problem.

Council Member Robinson made a motion that Club Ritz shall pay a minimum of \$400 per month, that the property shall not be included in this year's tax sale, and that the balance of the taxes in arrears shall be paid on or before December 31, 2012. The motion was seconded by Council Member Elliott.

Council Member Hanrahan stated that he views this differently than someone's private residence. This is an investment club, and with 225 members, an assessment of \$100 each would pay off the taxes before the tax sale. Council Member Robinson noted that the tax sale is in three weeks, and it may not be practical to do an assessment before then.

The motion passed by a vote of 3 to 2, with Council Members Elliott, Robinson, and Ure voting in favor of the motion and Council Members Hanrahan and McMullin voting against the motion.

Kathryn Rockhill with the Auditor's Office reported that Richard Eyre is requesting more time to pay his taxes with payments of \$600 per month. Council Member Hanrahan asked if \$600 per month would pay off the total amount owed. Ms. Rockhill replied that \$5,034 is owed on this lot.

Council Member Robinson noted that it appears the intent was that a home would be built on three lots in 2007, but only two of the lots were combined, and the taxes have not been paid on the third lot. Mr. Eyre has indicated that he is willing to place a deed restriction on the third lot to take care of future tax years. He believed that they should include a requirement that Mr. Eyre combine this third lot with the others.

Chair Ure noted that the County Council is not the Planning Commission, and they are here to address the taxes on this lot. Mr. Eyre has had five years to work this out, and it has not been important until three weeks prior to the tax sale. The most he would be willing to do is give Mr. Eyre until the end of the year to bring his taxes current. It is up to him to work through the lot combination issue with the Planning Commission after he has paid the taxes.

Council Member Robinson stated that, since the problem with the lot combination has been brought to the Council's attention, they should find out if there is a lingering problem with the third lot that needs to be corrected. Ms. Rockhill explained that these are two separate issues and that she has given Mr. Eyre the Planning Department's telephone number.

Council Member Robinson made a motion to delay the tax sale on Mr. Eyre's property and require that he bring his past-due taxes, interest, and penalties current by the end of 2012. The motion was seconded by Council Member Elliott and passed unanimously, 5 to 0.

REQUESTS FROM THE LIBRARY AND SHERIFF'S OFFICE TO AMEND THE 2012 CHART OF POSITIONS; BRIAN BELLAMY, DIRECTOR OF PERSONNEL MANAGEMENT

Mr. Bellamy explained that two departments have requested amendments to the Chart of Positions adopted with the 2012 budget. The Summit County Library has two part-time positions they would like to consolidate into a full-time position, and there is a similar request from the Corrections Division of the Sheriff's Office. Chair Ure noted that the departments would then have to pay benefits for the full-time positions and asked if that is within the budget. Mr. Jasper stated that he anticipated the departments would absorb the additional costs in the budget this year.

Council Member Hanrahan commented that he believed this is the right thing to do, because many corporations hire part-time people just so they do not have to provide benefits, and he would prefer to provide benefits for County employees.

Council Member Hanrahan made a motion to amend the Chart of Positions as requested by the Summit County Library and the Summit County Sheriff. The motion was seconded by Council Member Robinson and passed unanimously, 5 to 0.

Council Member Robinson commented that implicit in the motion is the assumption that the departments will remain within their budgets for the year.

CONSIDERATION FOR ADOPTION OF A RESOLUTION NO. 2012-5A OF THE COUNTY COUNCIL OF SUMMIT COUNTY, AMENDING AND RESTATING RESOLUTION NO. 2012-5 ADOPTED ON APRIL 4, 2012, PROVIDING FOR A SPECIAL BOND ELECTION TO BE HELD ON JUNE 26, 2012, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED ELECTORS OF THE NORTH SUMMIT RECREATION SPECIAL SERVICE DISTRICT, SUMMIT COUNTY, UTAH (THE "DISTRICT"), A PROPOSITION REGARDING THE ISSUANCE OF NOT TO EXCEED \$8,500,000 GENERAL OBLIGATION BONDS TO FINANCE THE COSTS OF ACQUIRING, CONSTRUCTING, EQUIPPING, AND FURNISHING A COMMUNITY CENTER AND A FIELD HOUSE AND RELATED IMPROVEMENTS AND OTHER RECREATION PROJECTS IN THE DISTRICT, AND PAYING THE COSTS AND EXPENSES; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING; APPROVING THE FORM OF AND DIRECTING THE PUBLICATION OF A NOTICE OF ELECTION AND THE BALLOT PROPOSITION; AND RELATED MATTERS

Brian Baker with Zions Bank recalled that the County Council passed a resolution on April 4 calling for a bond election in the amount of \$15 million for the North Summit Recreation Special Service District. At that time, they discussed the possibility that the number might be less than \$15 million. The Administrative Control Board is now recommending that the bond be for \$8.5 million and asking that the County Council revise that number to \$8.5 million. Based on the average home price in northern Summit County of \$232,000, the annual tax impact would be \$103.

Council Member Robinson made a motion to adopt Resolution 2012-5A amending and restating Resolution 2012-5 providing for a special bond election to be held on June 26, 2012, for the purpose of submitting to the qualified electors of the North Summit Recreation Special Service District, Summit County, Utah (the “District”), a proposition regarding the issuance of not to exceed \$8,500,000 general obligation bonds to finance the costs of acquiring, constructing, equipping, and furnishing a community center and a field house and related improvements and other recreation projects in the District, and paying the costs and expenses; providing for the publication of a notice of public hearing; approving the form of and directing the publication of a notice of election and the ballot proposition; and related matters. The motion was seconded by Council Member Elliott and passed unanimously, 5 to 0.

PUBLIC INPUT

Chair Ure opened the public input.

There was no public input.

Chair Ure closed the public input.

PUBLIC HEARING CONCERNING THE ISSUANCE OF THE NORTH SUMMIT RECREATION SPECIAL SERVICE DISTRICT, SUMMIT COUNTY, UTAH, GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$8,500,000 (THE “BONDS”) AND TO RECEIVE INPUT FROM THE PUBLIC WITH RESPECT TO ANY POTENTIAL ECONOMIC IMPACT THAT THE IMPROVEMENTS, FACILITIES OR PROPERTIES FINANCED IN WHOLE OR IN PART WITH THE PROCEEDS OF THE BONDS MAY HAVE ON THE PRIVATE SECTOR

County Clerk Kent Jones explained that the bond will be on the ballot in June, and this meeting is strictly a public hearing to receive public input regarding the proposed bond. Mr. Baker explained that they are simply following the legal steps outlined by the State in order to put something on the ballot. Under State law, a public hearing is triggered after the Council passes the resolution to put the bond on the ballot. Council Member Robinson verified with Mr. Jones that what is said tonight will not affect whether the bond is placed on the ballot. Mr. Jones clarified that the input received this evening can affect the public opinion and the information that goes out to the public prior to the election.

Jim Brooks with the North Summit Recreation Special Service District explained that they have worked hard for the last two years to come forward with a proposal for a recreation center. The architect presented a proposal that would cost \$15 million, and after numerous meetings with the Recreation District committee and public meetings in the communities in northern Summit County, they believed they may have aimed too high, so they have changed the recommendation to \$8.5 million and are redesigning the project accordingly. The Administrative Control Board believes this facility will be very beneficial to citizens of the North Summit area. He stated that this has been a good procedure. They have listened and tried to implement what they have heard, based on a survey conducted a few years ago where the majority of the people indicated that they would like a recreation center.

Chair Ure opened the public hearing.

Jacqueline Smith, a resident of Wanship, stated that she believes they live in a representative republic, not a democracy, and they are turning this into a democracy by putting this on the public ballot. When they can convince 51% of the people to want something, they will destroy the rights of the other 49%. They will destroy their property rights, their property values, and take their money. She stated that laws do two things; they take away their liberty or their money, and she wanted to know if there is anything the County can do to bring this ballot issue down to 0, because they are taking the will of the majority and crushing the rights of the minority. She stated that this has caused contention in their community. She commented that she believes in free markets, and recreation districts are unsustainable. She stated that they only live 25 minutes from the facility in Kamas, and there are not enough people in this area to sustain this type of program. When the middle school gym was opened, it put a private business in Coalville out of business, because the private sector had to compete with a public sector gym. She stated that this is not a necessity; it is just a want. They are in an unsustainable economy, and the people who want this work for the County or the School District or receive public pay and have not had their pay affected by the downturn in the economy, but the rest of the people in the community have. She stated that low interest is still interest, and it is still debt and is unfair to their children. She noted that they are not talking about the bond and the levy together, which will be more than the \$103 that was stated. She believed this was put on the ballot before the public meetings were held, which seemed like putting the cart before the horse. She asked if they could remove themselves from the Recreation District and if they could undo the resolution. She stated that in the last eight years her property value has doubled, and her taxes nearly doubled. Her property value has now gone down, but her property taxes have not gone down. She believed it was important to do things for the community that are necessary, not just things they want.

Mark Folker, a resident of Wanship, stated that he is a contractor and is struggling to survive and remain employed. He reported that the internet states that the median property tax in Summit County is \$1,792 per home based on the value of a \$450,000 home, and Summit County has one of the highest median property tax rates in the United States and is ranked 492nd of 3,145 counties in the United States. He believed it was ridiculous that the County is going into debt and wants to have more, especially as the market has crashed in the last three years. For the first 17 years he lived in the County, his taxes changed very little, and since the market crash, his property taxes have increased more than \$1,000, even though the value of his house has gone down. He stated that, if they cannot change this resolution, they need to look at what is going wrong and resolve the problems. He stated that they are chasing people out of the County who have not been able to live here and affecting the growth the County will see by the taxes. He

stated that their taxes are almost higher than anyone else's. This is a small County, with a population of only about 46,000 people, and is not a huge county where taxes are high because they have to keep up the infrastructure. He encouraged the Council to change this and get this proposal off the ballot. He believed the public hearing should have been held before the Council voted to put this on the ballot. The process is backward, and the State law needs to be changed.

Council Member Elliott requested that Mr. Folker provide them with the sources he used for his statistics.

Council Member Robinson stated that he believed Mr. Folker was looking at the wrong statistic and clarified that Summit County has the second lowest tax rate in the State of Utah, which is half the tax rate of Salt Lake County. He explained that the amount of taxes paid on the median home in Summit County is high because the value of the home is high, not because the tax rate is high. He stated that the County has not raised the tax rate for years and years, but when assessed values go down, the tax rate goes up, which simply holds the County's revenues equal. The County gets additional revenue through growth in new properties, not in assessed values.

Mr. Folker asked what more recreation the County needs than what it already has with the mountains, the outdoors, hunting and the fishing, and the other things this community represents. He believed they should look at spending money to improve the things they have rather than building a recreation center that probably only 20% of the community would want to use.

Jon Hellander commented that he listened at the beginning of the meeting to people asking for mercy, and he believed the Council had set a good precedent and granted mercy to those who were in need of tax relief. If they were to ask the people who are having a hard time paying their taxes if they support a tax increase, they know what the answer would be. When an idea is presented to the public that is as sensitive as this is, he would like to know why the Council did not take time when they saw only three people in the audience to say they did not have the representation to come up with a correct answer. If the community needs a facility like this, there is no question that people would donate money to see that it gets built. To mandate that people pay for something because of someone's wants is wrong. He believed they are setting a precedent, and everyone who understands President Obama and what he stands for can see that this goes right along the same lines, except it is on a local level. People look at this on a national level and say they cannot stand the taxation and having this amount of debt come into their life by mandating and taking away their personal rights, but that is what they are allowing to happen on a local level. He stated that this affects people; it affects everyone.

Marci Hansen stated that she is part of a group that represents Rockport Estates, the Tollgate area, and Bridge Hollow in Wanship. She noted that the County's website states that Summit County considers the needs of the present without compromising the ability of future generations to meet their own needs by integrating and balancing environmental, economic, and social values. Sustainable means capable of being supported or upheld. She contended that, because of economic and social conditions, the North Summit Recreation Center does not meet the criteria the County has set. She stated that the 2010 Census reported a total population in North Summit of 3,192. From the 2000 Census to the 2010 Census, Coalville lost residents, and Henefer increased by only 82 people. The 2010 Census also showed that in five years there will only be 21 more children ages 0 to 19 who currently reside in North Summit, which does not support the Recreation District's statement that they will outgrow current facilities in five years. The

Recreation District has referred to a survey, but she never got a survey. There were only 302 responses to the survey, and the survey asked if people would be willing to pay or have a tax levy, but they never mentioned an amount. The Recreation District claims that 97% of the community wants this based on a survey that only 302 people answered, which does not seem right. According to the Summit County Building Department, as of April 1, they had only processed six building permits, and only one was in north Summit County. She noted that the Building Department has almost doubled the fees to build a home, adopted more rigid standards for septic tanks, and building costs are going up, so she did not believe this community is growing. She stated that 150 business licenses are issued in north Summit County, and 57 of those are service-oriented businesses with a low assessed value. Another 51 are construction and transportation businesses that are already struggling because of the slow-down in construction and gas prices. Businesses will be charged \$130 per \$100,000 of the assessed value of their business, so their taxes will go up. Businesses will have to either raise prices or find ways to cut expenses. She stated that the Recreation District needs growth and a strong tax base in order to be viable, but the figures show no growth and no taxes from businesses, and the future income the Recreation District claims is not plausible. She noted that it is anticipated that Federal taxes will reset in 2013, and those making \$50,000 per year will see an increase of \$1,000 per year in federal taxes, which is not the kind of economic outlook that lends itself to adding tax burdens to this small community. Ms. Hansen stated that Zions Bank charged \$12,000 to do a feasibility study of the North Summit Recreation District, but Zions Bank also wants to facilitate the bond, for which they will be paid a fee. She asked why an independent entity was not used to do the feasibility study, which is still unavailable for review. She stated that she hoped the Council would have read the feasibility study before deciding to put a \$15 million bond on the ballot. She stated that the Wanship meeting was held April 10, and Zions pointed out that the nine recreation centers they used in the study could not sustain themselves and that there is not a recreation center in Utah that can sustain itself. They all have to be subsidized by taxpayer money, and they could not get a figure as to what it would cost to subsidize the North Summit Recreation Center. They said it would be anywhere from \$200,000 up, and they still do not have the exact figures. If it costs more than expected to run the recreation center, she asked if taxes would go up again. She stated that the study also showed that only 20% of the community would use the recreation center, yet 100% of the citizens are expected to pay for it. The Special Service District is supposed to benefit the whole District, and this recreation center will not. She stated that Zions appears to be very interested in selling North Summit Recreation a bond. Brian Baker with Zions Bank asked the County to approve the proposition on April 4 to place a \$15 million bond on the ballot, and the Council passed it unanimously, 5 to 0. She commented that this was done so they could meet time constraints to get it on the ballot, but no mention of the feasibility study was made in the meetings, and no one asked about feedback from the community meetings. They would not have been able to ask what Wanship thought about it, because they had not yet had their community meeting and did not know about the recreation center until they went to the April 10 meeting. She believed the Council would be surprised at how many people still do not know that this is proposed. She stated that it appears that a Zions Bank employee has a greater weight with the Council than the opinion of the residents of north Summit County. She stated that they brought up these concerns at the Recreation District meeting on April 23, and the majority of those attending opposed a recreation center. One community member in favor of the recreation center commented before he left that the committee should cut the amount from \$15 million to \$8.5 million to make it more palatable and mentioned that, although he should use the recreation center, he probably would not, because he was too busy. Ms. Hansen stated that she has heard many times from other community leaders

and even people on the committee that they will not use the center. She also stated that they failed to mention that they would not only have their taxes, but they would have a \$295 per year membership fee, and they are counting on those fees to help subsidize and operate this business. If this community leader is not going to be using the center, that is another \$295 the rest of the community will have to pay. On the way out of the meeting, she stated that she overheard a comment that \$8.5 million of irresponsible spending is just as distasteful as \$15 million, and she agreed with that. She stated that a recreation center is not an inalienable right. If 20% of the community feels a recreation center is a good pursuit of happiness, they should find a way to build it so that does not take away her rights through debt and taxation. They should partner with the community and private business to build a recreation center that can sustain itself. She believed they should better utilize what they already have and not obligate their future income on a 20-year bond and eternal tax liability for a facility that does not benefit the whole community and cannot support itself without taxation. A special service district and its proposals are supposed to be a benefit to the landowners in the district. The communities of Bridge Hollow, the Tollgate area, and possibly Rockport see no benefit to their neighborhoods in a recreation center, and they request that the County pass a resolution to withdraw those communities from the North Summit Recreation District.

Council Member Elliott clarified that the initial survey went out to every address in the North Summit area in about April of 2004, and there was overwhelming interest at that time. They have been operating under the assumption that people would still like to have an opportunity to vote on it. If people are opposed to it, they need to get out and convince others to vote against it. Ms. Hansen replied that too many assumptions are made without informing the public, and the Council approved putting this on the ballot before a meeting was held in their community. Mr. Hellander commented that the amount of money he made in 2004 was considerably different from what he makes today.

Tom Deaver stated that he is opposed to the tax in Pine Meadow/Forest Meadow for a Coalville recreation center. He explained that the majority of homes in Pine Meadow/Forest Meadow are second homes, and the assessment is based on their full value, which makes them a cash cow. The secondary home owners are absentee and will not be present to utilize the recreation center most of the time. The feasibility study shows that only 20% of residents will use the recreation center and that the center will run approximately \$350,000 in the red every year, which makes it a permanent tax liability. He questioned why the homes in Pine Meadow/Forest Meadow are included in the North Summit Recreation District when the existing recreation center in Kimball Junction can be reached in half the time. He asked if the assessment would be grandfathered to the beginning of 2012, if there are plans to raise the assessment next year, and if what is on the ballot will not be the final assessment. He noted that Utah Code states that an area within a special service district that does not receive the services of the special service district may be withdrawn from the special service district and should request removal from this recreation center special service district. He asked if the feasibility study was done by the same bank that will carry the loan and whether that is a conflict of interest. He asked if the architect was paid a fee that is in excess of the standing rate. He stated that his source deals with architects in Boston, New York, Philadelphia, and Washington, D.C., and the rate is 4.5%. The architects for this project are charging 7.5%. Ms. Hansen clarified that the architects are charging 5.7%, which is still higher than what is charged in large cities. Mr. Deaver asked why an increased financial burden is proposed on households that are already struggling in an economic downturn. He stated that his neighbors are already losing their homes on short sale and being forced out of their

homes. He stated that 310 people in support of this on a survey taken eight years ago is politically and feasibly invalid due to the age of the survey. If there is such wide-based support for a recreation center, he believed they should engage private enterprise to come in and build it.

Council Member Hanrahan stated that he believed Council Member Elliott was talking about a different survey than the one last year. Mr. Brooks explained that the survey was done by a class, and they hired a group of students to go door to door. Mr. Deaver claimed that no one in his area had heard anything about the survey and asked that the Council consider the attempt at a survey to be invalid.

Ms. Hansen stated that the tax levy will start at .0005, and something the Recreation District has always failed to mention at their meetings is that in 2013 it will increase to .0006, even before the building is started. Mr. Baker explained that currently the Recreation District has absolutely no ability to levy taxes. The language on the ballot states that they believe the starting levy will be .0005, and the maximum levy could be .0006. Over the years, Summit County's tax rate has dropped because of increased valuations. The reason behind the .0005 is that they believe that is a level that will get them off the ground, but if they find they will need more money, they are telling people on the ballot that the maximum rate will be .0006. There has never been an indication by anyone that the rate will go to .0006 next year. He clarified that the feasibility study prepared by Zions Bank is done by another group of which he is not a part. If the feasibility study had said that 98% of the people would use the recreation center and that it would run at a profit, people would not have thought that was valid. What they try to do with a feasibility study is figure out what is feasible. In Kamas, 39% of the residents have memberships at a facility, and he believed the idea was to back off from that and say 20% to see what that would do to the numbers. He explained that they have to find a starting place. They are starting a budget from scratch to run a facility, and that is where trying to figure out what is feasible comes in. He explained that the subsidy level is a function of how well the facility does, and other recreation facilities run at a deficit, which is true in most places. With regard to the architect fees, he stated that he has worked on projects throughout the State where organizations were comfortable paying 7%-8% as architect fees, and those jobs were bid competitively. He believed architect fees were more a function of size. He explained that Zions Bank's role is to provide financial advice to the County and the North Summit Recreation District. This idea has been generating for a number of years, and there was a reason the County Commission created a special service district to look at recreation options in the north of the County. The job of the Recreation District is to determine what is needed, and based on community input, they decided there was a need for a recreation facility in the area. They identified the solution and outlined the cost, which is proposed on the ballot. The Recreation District Board hopes to represent the people they serve and is putting it before the people. If the people like it, they will vote in favor of it; if they do not like it, they will vote against it. They will educate the people and then let the people decide. If the people say they do not want this, the Board will go back to the drawing board and try again to determine what the people do want.

Carolyn Strathearn, a resident of Tollgate Canyon, stated that they should be removed from the service area if they are not going to use this service. She stated that she drove from her house to the Snyderville Basin Recreation Center, and the drive was 9.5 miles and took her 17 minutes. She drove from her house to the Summit County Courthouse, which was 27 miles and took her 25 minutes. She stated that she would not drive to Coalville to use the recreation center, and neither would anyone else, because it is not feasible.

Ted Smith stated that he has heard tonight that his taxes are level and are going down, but he does not know where the leveling is. He asked if anyone has done a study on the life expectancy of the recreation center before the bond ends or if they will need a new bond for it to continue. Mr. Baker explained that the life expectancy of the building cannot be shorter than the length of the bond. Mr. Smith stated that he has taken entire baseball teams to Park City for \$25, and that does not amount to \$300 per year per person. The County does not plow the roads where he lives or empty his trash, and he does not have a sewer connection, yet his taxes have doubled in three years. He noted that the study was done in 2004, and most people were probably doing pretty well in 2004. Since then there has been a downturn in the economy, and he has heard people at this meeting pleading for relief. It was hard to understand doubling his taxes for three years and then asking him to consider this. He believed it was irresponsible and that more study should be done, and no one asked him to voice his opinion as to whether he wanted a recreation center or not.

Ms. Hansen stated that the Utah Code regarding special service districts says that they get their authority from the County Council, and this is the proposition the Council voted tonight to put on the ballot. She claimed that it does state that the taxes will be .0005 this year and next year, in 2013, they will go up to .0006, but the building will not be done.

Fred Montague, a resident of Wanship, stated that maybe they should go back and look at things to be sure they are not making important decisions in important times based on misinterpretation of the survey he did not get. He asked if anyone has a copy of the survey that was mailed out, because if the survey was worded to ask if people are in favor of the recreation center, and 350 surveys were returned saying yes, there is a non-response statistic that says the other 2,700 people are against it because they did not feel they had to return it if they were against it. He believed that is what may have happened. He stated that a lot of work has been done by the committee based on assumptions from a non-representative sample. He commented that his friend told him there are architects in Salt Lake City who will work for 3%. He believed that, if private enterprise thought this was a good risk in these times, private enterprise would be all over this center. He did not believe subsidized recreation makes a lot of sense. They are trying to maintain a tax base and a quality of life in this part of Utah. He did not know whether they made the right decision, but he thought they should have all the information before they go too far.

Jim McIntosh, a resident of Wanship, expressed concern about the process. He believed that, if they were proposing a bond for \$15 million, the surveys and feasibility studies would have been based on some sort of plans or pro forma income statements reflecting a \$15 million investment. Now they plan to put a bond for \$8.5 million on the ballot, and there is not even a design for the building, much less a new feasibility study or survey indicative of participating in this new designed building and the amenities it will have. He believed a lot of work needs to be done, and he did not believe it could be done in 56 days before there is a vote. He believed that, if they are going to have a new project, they need to have new surveys and new feasibility studies based on the new design, and he did not see how they could do that in 56 days.

Mr. Folker noted that the Recreation District said students from the high school took the survey out, and it was not mailed. He asked if it is legal to ask high school students who are not 18 and cannot vote to hand out a survey that relates to a tax issue. He believed they could have just taken them and thrown them away. Mr. Baker clarified that there is no legal requirement for a

survey of any kind. He explained that every special service district board goes through its own process. The board only needs to believe there is some interest in something they want to put forward to the people and ask the County Council to put it on the ballot. Then people can vote for it or against it.

Sam Rex stated that a lot of people are in favor of a recreation center, and those who are in favor are not here tonight because they knew this was just an amendment to drop the proposed bond amount. He commended the Recreation District for listening to the public and stated that they are trying to make it feasible for all the residents of the District.

Colleen Schulte stated that she is a property owner and business owner, and she has many children to feed. With the cost of groceries going up, she would prefer to eat rather than climb a rock wall. She stated that many of the people she has talked to who are for the recreation center do not own property.

Ron Boyer stated that he has been involved with the Recreation District since 2008. He stated that he sat on the Coalville City Council for 10 years, and he does own property in Coalville. His family has lived here for generations, and he has seen what has happened in North Summit over the years. When he sat on the City Council, they heard constantly that they need facilities and amenities, and if they had the amenities, people might want to live here. He agreed that there are a lot of opportunities for outdoor recreation, but some opportunities are limited for the people who live here, including seniors. Other communities like Salt Lake have a lot of opportunities that are not available here. He explained that when the Recreation District was formed, they took several surveys, and the response was overwhelming that 80% of the people wanted a recreation center, and only 20% did not want it. Although people might question the validity of the survey, the only way to really know is to put it on the ballot and let people decide. If people do not want it, they can get out and campaign against it, which has happened in the County previously. He explained that the Recreation Board worked hard on this proposal and is just trying to give this community the same opportunities that other communities have.

Ms. Schulte stated that someone else's flat tire is not her problem. If someone does not have the motivation to do anything about it without a recreation center, they certainly won't have the motivation if they have one. She questioned why she should have to pay for someone else's problem if they do not have the motivation to do something about it.

Chair Ure stated that the Recreation District Board has tried to be as fair, honest, and equitable as possible. He has begged for three years to get people to come and provide input to the Council, and this is only about the second time in three years that people have shown up. He would not make any excuses for his vote tonight or his previous vote on the resolution for a bond election. He felt badly that they had not had a public input session prior to the first resolution and then the public hearing tonight. He believed the future of the bond election is in the hands of the public, and they can complain all they want to the Council, or they can go out and try to convince their neighbors to vote. For three years people from North Summit have asked what the County is going to do for North Summit. The County has given money to the Recreation District for programs for the children in North Summit, which the residents have not paid for, and they were concerned about what North Summit had or did not have. They felt they were doing the right thing for the residents by presenting this on the ballot and letting them make the decision. If they have erred, he believed they had erred on the side of allowing people to make decisions for

themselves. He explained that this is the first time the Recreation Board has done anything like this, and they are not paid and are providing services on a volunteer basis. He stated that the Council has heard the concerns and acknowledged that they should ask more questions and look at things in greater depth.

Ms. Schulte maintained that, if things were not done properly the first time, they should drop this and start over again with surveys and everything. Chair Ure explained that the law was followed. The survey and feasibility study are not legal requirements and were done by the Recreation District to try to find out what was wanted. He reiterated that they followed the law, and unfortunately, a public hearing was not required until after the resolution was passed, but that is an issue to be resolved by the State Legislature. Ms. Schulte claimed that, if the Council did what they were told, and the information was not correct, they were misinformed. Chair Ure reiterated that the Council followed the Code. Ms. Schulte stated that she did not feel responsible for providing for people's recreation, and that is not what she is here for.

Chair Ure closed the public hearing.

Council Member Robinson reviewed the chronology of the Recreation District's formation, and the Board properly held public meetings and came up with a plan through the process of many meetings noticed on many agendas, and there was plenty of opportunity for people to give input. Then they determined that they would need money to carry out the plan and came to the County Council to ask them to put it on the ballot. No one showed up to say they should not put it on the ballot, and the Board acted in good faith. The Council voted to put it on the ballot, and tonight the Recreation Board asked them to reduce the bond amount, which they have done. Zions Bank is not driving an agenda, and the County Council is not driving an agenda; they are simply doing the bidding of the people who were appointed to represent the citizens to allow the citizens to make a choice. He stated that people should not blame the Council or the financial advisor, because this did not originate with them. With regard to the argument that a vote of 51% of the people in favor would cause the others to be taxed, that is what happens in all special districts. He stated that he lives in the Snyderville Basin and does not use the recreation center there, but he pays every year for that district, because he is a member of the community, and that is the rule of law. If the people here tonight did not want a Recreation District, he questioned why they did not show up when it was being formed to express their concerns about potential future impacts. He explained that they have been following a process and going down a path, and there were many instances when the public could have come and inserted themselves into that process. Now their opportunity will come on June 26.

Ms. Strathearn asked how to go about getting out of the Recreation District. Mr. Thomas explained the procedure for deannexing from the District, which includes filing a petition with the County and showing that the services of the District would not benefit them in any way. That would come to the County Council, who would decide whether the petitioners are benefited by the District. He verified that individual property owners would have to petition for deannexation. The Council Members discussed the ability for people to deannex prior to the election. Mr. Thomas explained that the boundaries of the District would have to be set prior to the election. County Clerk Kent Jones explained that the ballot language must be adopted 75 days prior to the election, and in order to get ballots printed and get absentee and overseas ballots sent, the ballots are currently being printed. It would not be possible to take a month to

determine who is or is not in the District and get the ballots printed and distributed, because the election process has already started.

Council Member Hanrahan commented that it would be difficult to argue that, because someone lives in Tollgate Canyon, it would be closer for them to drive to the Snyderville Basin where they do not pay taxes and use those facilities rather than paying taxes to the North Summit Recreation District. It would be a hard sell for someone to say they should not pay taxes in any recreation district and just go wherever they want. He was not willing to let a vocal minority dictate whether the other 3,000 people within the District have an opportunity to vote on the bond proposal. If the Recreation Board were to request that the proposal be withdrawn because they do not believe they have sufficient support, he would consider it, but he would not do that unilaterally, because what has been stated tonight flies in the face of all the other evidence and meetings they have had with the Recreation District.

Mr. Jones explained that he has already sent ballots to be printed and cannot wait even a week to see if people want to deannex from the District. The only option is that the bond resolution will either be on the ballot or not on the ballot, and he must know immediately. Council Member Hanrahan stated that he believed the only option would be to have Mr. Thomas talk to the Chair of the Recreation District and determine whether they wish to proceed or remove the item from the ballot. Council Member McMullin stated that she would be supportive of whatever the Recreation District Chair decides. The other Council Members agreed.

PUBLIC HEARING REGARDING RESOLUTION NO. 2012-9 PROHIBITING MEMBERS OF SPECIAL SERVICE DISTRICT ADMINISTRATIVE CONTROL BOARDS FROM RECEIVING HEALTH INSURANCE BENEFITS; DAVE THOMAS, CHIEF CIVIL ATTORNEY

CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 2012-9 PROHIBITING MEMBERS OF SPECIAL SERVICE DISTRICT ADMINISTRATIVE CONTROL BOARDS FROM RECEIVING HEALTH INSURANCE BENEFITS

Mr. Thomas noted that this resolution and the following one were requested by the Council Chair for the Council's consideration. This resolution would prohibit voluntary boards from having access to the County's health insurance benefits.

Chair Ure opened the public hearing.

Jacqueline Smith commented that it was appropriate to not have insurance provided for people who are serving the public on a part-time basis. She believed it was time for government to not be everything to everyone.

Chair Ure closed the public hearing.

Council Member Robinson made a motion to approve Resolution No. 2012-9 prohibiting members of special service district administrative control boards from receiving health insurance benefits. The motion was seconded by Council Member Elliott and passed unanimously, 5 to 0.

PUBLIC HEARING REGARDING RESOLUTION NO. 2012-10 SETTING FORTH STARTING SALARIES OF NEWLY ELECTED COUNTY OFFICIALS; DAVE THOMAS, CHIEF CIVIL ATTORNEY

CONSIDERATION AND POSSIBLE APPROVAL OF RESOLUTION NO. 2012-10 SETTING FORTH STARTING SALARIES OF NEWLY ELECTED COUNTY OFFICIALS

Mr. Thomas stated that it was his understanding that the Council wanted to set starting salaries for those who want to run for public office and are not incumbents so they would understand what their starting salaries would be.

Chair Ure opened the public hearing.

Sheriff Dave Edmunds stated that he would like to argue on behalf of his eventual successor. He stated that the future chief executive of Summit County's Sheriff's Office should be a sophisticated individual. He noted that the National Association of Realtors has found that one of the primary indicators of high real estate values is competent, proactive law enforcement, and if the salary is lowered to a point where competent individuals will not run for office, that would dramatically impact public safety in the County. Whoever is elected to the office of Sheriff will have to be a compelling and dynamic leader for 200 employees, which requires many leadership attributes. That person will also be the chief peace officer for 45,000 full-time residents and millions of visitors who come into the community. They would also have to have a robust understanding of American jurisprudence and be able to operate a jail. He noted that inmates represent the most litigious segment of society, and a lawsuit coming from the jail could cost the County tens of millions of dollars. Sheriff Edmunds stated that the Summit County Sheriff's salary is currently tens of thousands of dollars less than other public safety chief executives in the County, especially Park City Municipal Corporation, and if this resolution passes, it would be tens of thousands of dollars less than what the Fire Chief is paid. He strongly recommended that they keep the salary to no less than what it is today. If they reduce the salary, it would impact the kind of individual who would want to run for the office of Sheriff.

Jacqueline Smith stated that she hoped the Council would approve this resolution. As much as she agrees with Sheriff Edmunds, she believes they need to bring this back down to a more reasonable level, especially where the private sector has felt the downturn of the economy. She felt they should recognize that, as new people come in, it takes them time to get their feet wet. If there is to be an exception, the Sheriff's Office might be the one place to make an exception, because they put their lives on the line and have a different job description than other public employees. She believed it was time to bring things down to a level that is more reasonable.

County Assessor Steve Martin asked what is meant by tenure in the resolution and when that would become effective. He also noted that this change would affect chief deputies, because most chief deputies' salaries are based on a percentage of what the elected official makes. If a chief deputy has worked in the department for a number of years and has to show the newly elected official what they are supposed to do, they would be losing money at the same time, which would be a problem. If the chief deputy who has been in the department for a number of years and knows all the details of the job were to become the newly elected official, they would have to start at a lower salary even though they may have basically the same skill set as the

outgoing elected official. A third problem is that, if he were to run for office at his current salary, and someone else were to run for office at a lower salary, people might vote for the other candidate just to save costs, which seems discriminatory to him.

Marie-Claire Martin asked what brought this about. Council Member Hanrahan explained that this issue came up a few months ago, and the Council thought it was worth discussing. He thought it was worth looking at because it seems like elected officials get paid because they are gaining longevity and experience as they do their job, like other people do. In the private sector, the next person who comes into a job does not get paid for the 20 years of experience someone else gained in earning their way up to that level. They usually start at market level. He was not certain that the proposed salaries are at market level, and he believed it should be based on what is appropriate in the market. He did not believe a newly elected official should get the benefit of his predecessor's experience and make the same kind of money they made. Ms. Martin expressed concern that people would vote for the new person who would be making less money. Council Member Hanrahan stated that he had looked at this as being a work session item rather than coming to the Council as a resolution, and he believed both Sheriff Edmunds and Mr. Martin had made good points. Ms. Martin asked if the intent was to save some money and noted that Mr. Martin has lost several employees, who have not been replaced, his budget has been cut, and the remaining employees and Mr. Martin have to do double the work because of the employees who have been lost, and now the County wants to pay them less. She did not believe that makes sense, and that is why she did not believe the Council should pass this resolution.

County Clerk Kent Jones commented that public officials are put here by the people and taken out by the people, and he is evidence of that. He verified that the chief deputies are paid a percentage of the elected officials' salaries. He commented that most elected officials have already had experience in the office before they are elected. They have also seen people be elected to office and do a good job and people elected who do not do a good job, and the people vote them out. He believed making salary a campaign issue is a mistake.

Justin Martinez with the Sheriff's Office commented that there is a potential with this proposal that some of the higher officers already in place could make more than a new sheriff would make. Whoever is elected should be making more than the people they will be commanding.

Philip Leonard commented that all that is needed is for someone to aim a car at you or point a gun at you just once, and you would know law enforcement officers do not make enough money. Any time they can support the Sheriff's Office, they should do it and show that they are valued on pay day.

Chair Ure closed the public hearing.

Chair Ure recalled that he asked in two or three other meetings how Council Members felt about adjusting salaries for newly elected officials, and he had intended that this would be a work session item today. He had suggested numbers with the idea that they would discuss them. He did not believe \$10,000 or \$20,000 would be an issue in an election, and the official would do a good job or not, and he has faith in the public to make good decisions. He did not believe it was right when someone serves in office for 25 or 30 years and then retires for someone new to come into the job and earn the same salary as the person who has retired. He had not considered the

impact on the deputies, and he believed this issue should be open for further discussion. He clarified that this was not meant to hurt any current elected official or to hurt any deputy.

Mr. Jasper stated that he would be pleased to schedule some work sessions, have Staff work out some market studies, and provide options.

Council Member Elliott stated that she has thought this through carefully, and if they change the differential on newly elected officials, that would be a mistake for a number of serious reasons. She stated that she was opposed to this idea.

Council Member McMullin commented that, if they were to pursue this, this proposal does not take a lot of things into account that need to be addressed. She was not in favor of the concept, but if they want to pursue it, they need to address more circumstances and options.

Council Member Robinson stated that he believed they should do a market study and evaluate whether it is worthwhile to have a resolution like this. He noted that often a 20-year veteran is replaced by another 20-year veteran, and that part is missing.

Council Member Elliott made a motion to not approve the proposed resolution setting forth salaries of newly elected County officials.

The motion died for lack of a second.

APPROVAL OF COUNCIL MINUTES

MARCH 28, 2012

Council Member Elliott made a motion to approve the minutes of the March 28, 2012, County Council meeting with changes. The motion was seconded by Council Member McMullin and passed unanimously, 5 to 0.

The County Council meeting adjourned at 8:40 p.m.

Council Chair, David Ure

County Clerk, Kent Jones