



KANAB
— UTAH —

Mayor

Nina Laycook

City Manager

Duane Huffman

Treasurer

RaeLene Johnson

City Council

James G. Sorenson

Cheryl Brown

Ed Meyer

Joe B. Wright

Kirt Carpenter

KANAB CITY COUNCIL
October 19, 2012
76 NORTH MAIN, KANAB, UTAH

- 3:30 P.M. Consider approval Resolution 10-1-12 R A resolution approving the form of the Equipment Lease Agreement with Zions First National Bank, Salt Lake City, Utah. Finding that it is in the best interests of Kanab City, Utah to enter into said Agreement, and authorizing the execution and delivery thereof;
- 3:50 P.M. Review draft interlocal cooperation agreement for recreation director
- 4:10 P.M. Executive Session:
- Discussion of pending or reasonably imminent litigation
 - Discuss the character, professional competence, or physical or mental health on an individual

Times listed for each item on the agenda may be accelerated as time permits. If you are planning to attend this public meeting and due to a disability need assistance in understanding or participating in the meeting, please notify the City eight or more hours in advance of the meeting, and we will try to provide whatever assistance may be required. Please contact RaeLene Johnson at the Kanab City offices.

— A Western Classic —



October 11, 2012

Duane Huffman, City Manager
Kanab City, Utah
76 N Main Kanab, UT 84741

Re: \$295,900.00, Equipment Lease Purchase Dated October 23, 2012

Dear Duane:

Enclosed please find attached an electronic copy of the above referenced lease. Please print TWO copies for signature. As discussed, we have prepared the documents assuming that the District will approve the specifics of the lease at its next regularly scheduled meeting on Friday, October 19, 2012.

If all of the enclosures are acceptable, please place this item on the agenda and have the appropriate individuals sign TWO copies of the lease, the 8038-G and a W-9. Please return *both* completed copies to us as soon as possible in order for us to fund and close the lease on Tuesday, October 23, 2012.

In addition to the signed copies of the lease and pursuant to Section 1.1 of the documents, I have also enclosed a lease requirement checklist with a listing of items that must be received prior to funding.

In order for us to perfect our security interest in the equipment it is necessary for Zions First National Bank to be shown as first lien holder on the title to any vehicles being acquired. Please arrange for the titles to be sent to our office as soon as possible.

We propose funding the lease at a \$1,500.00 purchase discount, hence delivering to Kanab City, \$294,400.00. Please let me know if you have any questions on the documents or need further assistance. As always, it is a pleasure working with you.

Sincerely,

Alex Buxton

Alex Buxton
Vice President

AB/vc

LEASE PURCHASE AGREEMENT

This equipment lease (the "Lease") dated as of October 23, 2012, by and between Zions First National Bank, One South Main Street, Salt Lake City, Utah 84111 ("Lessor"), and Kanab City, Utah ("Lessee") a body corporate and politic existing under the laws of the State of Utah. This Lease includes all Exhibits hereto, which are hereby specifically incorporated herein by reference and made a part hereof.

Now therefore, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

Lease Of Equipment

Section 1.1 *Agreement to Lease*. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the "Equipment" (as hereinafter defined), to have and to hold for the term of this Lease; provided, however, that the obligation of Lessor to lease any item of the Equipment and to make payment to the Vendor therefor is subject to the condition precedent that Lessee shall provide the following at its cost, in form and substance satisfactory to Lessor:

- (i) Evidence satisfactory to Lessor as to due compliance with the insurance provisions of Section 10.2 hereof;
- (ii) Invoice of the Vendor of such item of Equipment; and
- (iii) Delivery And Acceptance Certificate in the form attached hereto as Exhibit "E" executed by Lessee acknowledging delivery to and acceptance by Lessee of such item of Equipment.

Section 1.2 *Title*. During the term of this Lease, title to the Equipment will be transferred to, and held in the name of, Lessee, subject to retransfer to Lessor as provided in Section 3.4. Upon termination of this Lease as provided in Sections 3.3 (a) or 3.3 (c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessor, Lessee, or any other person, provided that if any action is so required, Lessee by this Lease appoints Lessor its irrevocable attorney in fact to take any action to so transfer title to the Equipment to Lessor. Lessor at all times will have access to the Equipment for the purpose of inspection, alteration, and repair.

Section 1.3 *Security*. To secure the payment of all of Lessee's obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment. The security interest granted herein includes proceeds. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or advisable to establish and maintain its security interest in the

Equipment. Lessor understands and agrees that the security interest granted in this Section shall be subject and subordinate to presently existing security interests and/or purchase money security interests in miscellaneous equipment which may be installed in accordance with the provisions of Section 9.3.

ARTICLE II

Definitions

The terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

“Business Day” shall mean any day except Saturday, Sunday and legal holidays on which banks in the State of Utah are closed.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commencement Date” shall mean the date when the term of this Lease begins and Lessee’s obligation to pay rent accrues, as set forth in Section 3.1.

“Equipment” shall mean the property which Lessor is leasing to Lessee referred to in Section 1.1 and more fully described in Exhibit “A.”

“Lessee” shall mean Kanab City, Utah.

“Lessor” shall mean Zions First National Bank, Salt Lake City, Utah, its successors and assigns.

“Option Purchase Price” shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V.

“Original Term” shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

“Principal Outstanding” means the remaining unpaid principal outstanding under this Lease as specified on Exhibit “C” attached hereto.

“Renewal Terms” shall mean all of the additional periods of one year (coextensive with Lessee’s fiscal year) for which this Lease shall be effective in the absence of a termination of the Lease as provided in Article III.

“Rental Payment Date” means the dates upon which Rental Payments are to be made by the Lessee to the Lessor hereunder as specified on Exhibit “C” attached hereto.

“Rental Payments” means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

“Term” or “Term of this Lease” shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

“Vendor” shall mean the manufacturer of the Equipment and the manufacturer’s agent or dealer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE III

Lease Term

Section 3.1 *Commencement*. The Term of this Lease shall commence as of:

_____ the date this Lease is executed.

_____ days after the receipt, installation, and operation of the Equipment, and its acceptance by Lessee, as indicated by an acceptance certificate signed by Lessee.

_____ the date the Vendor receives full payment for the Equipment from Lessor.

 X October 23, 2012.

Such date will be referred to as the Commencement Date.

Section 3.2 *Duration of Lease: Nonappropriation*. This Lease will continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be automatically extended for four (4) successive additional periods of one year coextensive with Lessee’s fiscal year (each, a “Renewal Term”), unless this Lease is terminated as hereinafter provided.

The parties understand that as long as Lessee has sufficient appropriated funds to make the Rental Payments hereunder, Lessee will keep this Lease in effect through all Renewal Terms and make all payments required herein or Lessee will exercise its option under Article V to purchase the Equipment. Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Leased Equipment which is the subject of this Lease to carry out and give effect to the public purposes of Lessee. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect; provided, however, that a failure to give such written notice shall not constitute an event of default, result in any liability on the part of the Lessee or otherwise affect the termination of this Lease as set forth hereinabove.

Section 3.3 *Termination*. This Lease will terminate upon the earliest of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease and the failure of Lessee to appropriate funds to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein; or
- (d) the expiration of the Term of this Lease.

Section 3.4 *Return of Equipment Upon Termination*. Upon termination of this Lease pursuant to Sections 3.3 (a) or 3.3 (c), Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof in the following manner as may be specified by Lessor:

- (a) By delivering the Equipment to Lessor at Lessee's principal place of business; or
- (b) By loading the Equipment at Lessee's cost and expense, on board such carrier as Lessor shall specify and shipping the same, freight prepaid, to the destination designated by Lessor.

Lessee shall obtain all governmental authorizations to permit return of the Equipment to Lessor and Lessee shall pay to Lessor such sum as may be necessary to cover replacement of all broken or missing parts.

ARTICLE IV

Rental Payments

Section 4.1 *Amount*. Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms on the dates and in the amounts set forth in Exhibit "C" attached hereto. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at or to such other person or entity or at such other place as Lessor may from time to time designate by written notice to Lessee.

Section 4.2 *Portion of Rental Payments Attributable to Interest*. The portion of each Rental Payment which is paid as and is representative of interest is set forth in Exhibit "C" attached hereto.

Section 4.3 *No Right to Withhold*. Notwithstanding any dispute between Lessee, Lessor, Vendor or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction.

Section 4.4 *Rental Payments to Constitute a Current Obligation of the Lessee.* The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current 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 provision of Sections 10-8-6 or 11-1-1 through 11-1-2, Utah Code Annotated 1953, as amended, or Section 3, 4, or 5 of Article XIV of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the credit of the Lessee to the payment of the Rental Payments, or the interest thereon, nor shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Rental Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

ARTICLE V

Purchase Of Equipment

Section 5.1 *Option Purchase Price.* On any Business Day on or after October 23, 2012, Lessee may purchase the Equipment from Lessor at a price equal to the principal amount outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such date is a Rental Payment Date, in which case, the principal amount outstanding as of such date), plus accrued interest from such Rental Payment Date to such date of calculation at the rate of interest per annum in effect for the period during which the calculation is made, as set forth in Exhibit "C."

Section 5.2 *Manner of Exercise of Option.* To exercise the option, Lessee must deliver to Lessor written notice specifying the date on which the Equipment is to be purchased (the "Closing Date"), which notice must be delivered to Lessor at least thirty (30) days prior to the Closing Date specified therein. At the closing, Lessor will deliver to Lessee a bill of sale transferring the Equipment to Lessee free and clear of any lien or encumbrance created by or arising through Lessor, but without warranties, and will deliver all warranties and guarantees of Vendors of the Equipment.

Section 5.3 *Conditions of Exercise of Option.* Lessee may purchase the Equipment pursuant to the option granted by this Lease only if Lessee has made all Rent Payments when due (or has remedied any defaults in the payment of rent, in accordance with the provisions of this Lease) and if all other representations, covenants, warranties, and obligations of Lessee under this Lease have been satisfied (or all breaches of the same have been waived by Lessor in writing).

Section 5.4 *Termination Purchase.* Upon the expiration of the Term of the Lease and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased the Equipment (without the payment of additional sums) and shall be vested with all rights and title to the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section, it shall deliver to Lessee the documents specified in Section 5.2, and shall comply with the provisions of Section 5.2 relating to termination upon exercise of the option to purchase.

ARTICLE VI

Representations, Covenants, And Warranties Of Lessee And Lessor

Section 6.1 *Representations, Covenants and Warranties of Lessee*. Lessee represents, covenants, and warrants as follows:

- (a) Lessee is a body corporate and politic, duly organized and existing under the Constitution and laws of the State of Utah.
- (b) Lessee is authorized by the Constitution and laws of the State of Utah to enter into this Lease and to effect all of Lessee's obligations hereunder. The governing body of Lessee has executed the resolution attached as Exhibit "B" to this Lease which specifically authorizes Lessee to execute and deliver this Lease.
- (c) All procedures and requirements, including any legal bidding requirements, have been met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease and all rent and other payment obligations will be paid out of funds legally available for such purpose.
- (d) The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of this Lease was authorized, as evidenced by the certificate of open meeting law attached to the Resolution of Governing Body which is attached hereto as Exhibit "B."
- (e) The letter attached to this Lease as Exhibit "D" is a true opinion of Lessee's counsel.
- (f) Lessee will use and service the Equipment in accordance with Vendor's instructions and in such a manner as to preserve all warranties and guarantees with respect to the Equipment.
- (g) During the term of this Lease, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.
- (h) 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.
- (i) The Equipment shall be used solely by Lessee and shall not be subject to any direct or indirect private business use.
- (j) Lessee covenants and certifies to and for the benefit of Lessor throughout the term of this Lease that:

- (1) No use will be made of the proceeds of this Lease, or any funds or accounts of Lessee which may be deemed to be proceeds of this Lease, which use, if it had been reasonably expected on the date of execution of this Lease, would have caused this Lease to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code;
 - (2) Lessee will at all times comply with the rebate requirements of Section 148(f), to the extent applicable;
 - (3) in order to preserve the status of this Lease as other than a “private activity bond” as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease is outstanding: (I) none of the proceeds of this Lease or the Equipment 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; and (II) no part of this Lease shall be secured in whole or in part, directly or indirectly, by any interest in any equipment used in any such “private business use” or by payments in respect of such equipment, and shall not be derived from payments in respect of such equipment;
 - (4) it will not take any action or omit to take any action such that would cause interest on this Lease to become ineligible for the exclusion from gross income of Lessor as provided in Section 103 of the Code.
- (k) The obligations of Lessee under this lease are not federally guaranteed within the meaning of Section 149(b) of the Code.
- (l) This Lease is being executed for the purpose of acquiring the Equipment and is not being issued to refund or refinance any outstanding obligation of Lessee, nor to reimburse Lessee for any expenditures made prior to sixty (60) days before the date the Governing Body (as defined in the Resolution of the Governing Body attached hereto) of the Lessee adopted the Resolution of the Governing Body attached hereto.
- (m) In compliance with Section 149 (e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038–G or 8038–GC, as appropriate.
- (n) Lessee has selected the Equipment and desires to lease the Equipment for use in the performance of its governmental or proprietary functions. Lessor, at Lessee’s request, has ordered or shall order the Equipment and shall lease the same to Lessee as herein provided, Lessor’s only role being the facilitation of the financing of the Equipment for the Lessee. Lessor will not be liable for specific performance or for damages if the supplier or manufacturer of the Equipment for any reason fails to fill, or delays in filling, the order for the Equipment. Lessee acknowledges that Lessor is not a manufacturer of or a dealer in the Equipment (or similar equipment) and does not inspect the Equipment prior to delivery to Lessee. Lessee agrees to accept the Equipment and authorizes Lessor to add the serial number of the Equipment to Exhibit “A.” Lessor shall have no obligation to install, erect, test, inspect, or service the Equipment. *For purpose of this Lease and of any purchase of the Equipment*

effected under this Lease, Lessor expressly disclaims any warranty with respect to the condition, quality, durability, suitability, merchantability or fitness for a particular purpose of the Equipment in any respect, and any other representation, warranty, or covenant, express or implied. Lessor will not be liable to Lessee for any liability, loss, or damage caused or alleged to be caused, directly or indirectly, by any inadequacy, deficiency, or defect in the equipment, or by any use of the equipment, whatsoever. Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and Lessor directs Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee's expense, subject to Lessee's obligation to reassign to Lessor all such warranties and guarantees upon Lessor's repossession of the Equipment.

- (o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.
- (p) There are no legal or governmental proceedings or litigation pending or, to the best knowledge of Lessee, threatened or contemplated (or any basis therefore) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of this Lease
- (q) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations for which its general credit or revenues are pledged.

Section 6.2 *Representations, Covenants and Warranties of Lessor.* Lessor represents, covenants, and warrants as follows:

- (a) During the term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor, except upon default by Lessee as set forth in this Lease.
- (b) Lessor has not caused to be created any lien or encumbrance on the Equipment except the security interest provided in Section 1.3 of this Lease.

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, “event of default” and “default” shall mean, whenever they are used in this Lease, any one or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 30 days after written notice, specifying such failure and requesting that it be remedied as given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to nonappropriation; and (ii) if by reason of *force majeure* Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof, Lessee shall not be deemed in default during the continuance of such inability. The term “*force majeure*” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the state wherein Lessee is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

Section 7.2 *Remedies on Default*. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor 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) With or without terminating this Lease, retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, holding 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 purchase price, rent or other amounts paid by a purchaser, lessee or sublessee of the Equipment pursuant to such sale, lease or sublease; and

- (b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights as the owner of the Equipment.

Section 7.3 *No Remedy Exclusive*. No remedy herein conferred upon or reserved to Lessor 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 Lessor to exercise any remedy reserved to it in this Article VII it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

Section 7.4 *Waiver of Certain Damages*. With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

ARTICLE VIII

Payment Of Taxes, Fees, Permits, And Utility Services

Section 8.1 *Interpretation*. This Lease for all purposes will be treated as a net lease.

Section 8.2 *Taxes and Fees*. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition, except any federal or state income taxes payable by Lessor on such rental or earnings. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

Section 8.3 *Permits*. Lessee will provide all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation, ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.

Section 8.4 *Utilities*. Lessee will pay all charges for gas, water, steam, electricity, light, heat or power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the term of this Lease. There will be no abatement of rent on account of the interruption of any such services.

ARTICLE IX

Use, Repairs, Alterations, And Liens

Section 9.1 *Use*. Lessee will not install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property not withstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure.

Section 9.2 *Repairs*. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 *Alterations*. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease (other than termination pursuant to Section 3.3(b) or (d), restores the Equipment to its function and manner of operation prior to the installation of such equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous equipment installed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 *Liens*. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

ARTICLE X

Indemnification, Insurance, And Damage To Or Destruction Of The Equipment

Section 10.1 *Indemnification*. Lessee assumes liability for and agrees to indemnify Lessor from and against any and all liability (including attorney's fees) of any nature imposed upon, incurred by, or asserted against Lessor which in any way relates to or arises out of ownership, delivery, lease, possession, use, operation, condition, sale, or other disposition of the Equipment. Notwithstanding anything contained in this Section to the contrary, Lessor shall not be indemnified for, or relieved of, any liability which may be incurred from Lessor's breach of this Lease.

Section 10.2 *Insurance*. Lessee at Lessor's option will either self insure, or at its cost, will cause casualty insurance, public liability insurance, and property damage insurance to be carried and maintained on the Equipment, with all such coverages to be in such amounts sufficient to cover the value of the Equipment at the commencement of this Lease (as determined by the purchase price paid by Lessor for the Equipment), and to be in such forms, to cover such risks, and with such insurers, as are acceptable to Lessor. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Lessor to be the named insured on such policies as its interest under this Lease may appear. 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 Lessor to the extent of the sum of the Option Purchase Price of the Equipment at the time of its damage or destruction and all amounts due and owing hereunder. Lessee will deliver to Lessor the policies or evidences of insurance satisfactory to Lessor, if any, together with receipts for the initial premiums before the Equipment is delivered to Lessee. Renewal policies, if any, together with receipts showing payment of the applicable premiums will be delivered to Lessor at least thirty (30) days before termination of the policies being renewed. By endorsement upon the policy or by independent instrument furnished to Lessor, such insurer will agree that it will give Lessor 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 Equipment, and will require any other person or entity working on, in, or about the Equipment to carry such coverage, and will furnish to Lessor certificates evidencing such coverages throughout the Term of this Lease.

Section 10.3 *Damage to or Destruction of the Equipment*. If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost within thirty (30) days after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Lessor under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the Equipment 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 Lessor to the extent of the then remaining portion of the Rental Payments to become due during the Term of this Lease less that portion of such Rental Payments attributable to interest which will not then have accrued. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor 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 Equipment 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 XI

Miscellaneous

Section 11.1 *Assignment and Sublease by Lessee*. Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

Section 11.2 *Assignment by Lessor*. The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) notice of any such assignment, transfer or other disposition is given to Lessee at least five (5) days prior thereto; (2) prior to any such assignment, transfer or other disposition, the name and address of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease; and (3) prior to any such assignment, transfer or other disposition, this Lease must be surrendered to Lessee and the interest of any such assignee or transferee indicated on the face hereof and after such notation hereon, Lessee will redeliver this Lease to the new owner or owners hereof. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

Section 11.3 *Lessor's Right to Perform for Lessee*. If Lessee fails to make any payment or fails to satisfy any representation, covenant, warranty, or obligation contained herein or imposed hereby, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon as herein provided, will be deemed to be additional rent payable by Lessee on Lessor's demand.

Section 11.4 *Addresses*. All notices to be given under this Lease will be made in writing and mailed or delivered by registered or certified mail, return receipt requested to the following addresses until either Lessee or Lessor gives written notice to the other specifying a different address:

- (a) if to Lessee, at Kanab City, Utah, 76 N Main, Kanab, UT 84741. Attention: Duane Huffman.

(b) if to Lessor, at Zions First National Bank, One South Main Street, 17th Floor, Salt Lake City, Utah, 84133. Attention: Public Financial Services.

Section 11.5 *Manner of Payment*. All payments by Lessee will be made in cash, by certified or cashier's check, or by other manner acceptable to Lessor.

Section 11.6 *Nonwaiver*. No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation contained herein or imposed hereby may be waived except by the written consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 *Severance Clause*. Any provision in this Lease which is prohibited by Law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 *Entire Agreement; Addendum*. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an Addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 *Amendments*. This Lease may be amended only by a written document signed by Lessor and Lessee, or their respective successors and assigns.

Section 11.10 *Inurement*. Subject to the restrictions in Section 11.1 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 *Governing Law*. This Lease is governed by the laws of the State of Utah.

Section 11.12 *Headings*. Headings used in this Lease are for convenience of reference only and the interpretation of this Lease will be governed by the text only.

Section 11.13 *Offset*. Rental 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 Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment or any restriction or interference with Lessee's use of the Equipment.

Section 11.14 *Interest*. If Lessee fails to pay any Rental Payment or other amount due hereunder within ten (10) days after the due date thereof, Lessee shall pay to Lessor interest on such delinquent payment from the due date until paid at the rate of one percent (1%) per month.

Section 11.15 *Nature of this Agreement*. Lessor and Lessee agree that it is their intention that, for federal income tax purposes, the interest of Lessor in the Equipment is as a secured

party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and that Lessor neither has nor will have any equity in the Equipment.

Section 11.16 *Set-Up Fee*. As additional consideration for the rights herein granted to Lessee, Lessee agrees to pay Lessor a commencement or set-up fee of One thousand five hundred dollars (\$1,500.00) on the date this Lease is executed.

Section 11.17 *Designation of Issue for Tax Purposes*. In accordance with Section 265 of the Code, Lessee hereby designates this Lease as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. Lessee reasonably anticipates that the total amount of tax-exempt obligations [other than (i) private activity bonds, as defined in Section 141 of the Code (a qualified 501 (c)(3) bond, as defined in Section 145 of the Code, and any bond issued to refund certain obligations issued before August 8, 1986 as described in Section 265 (b)(3)(B)(ii)(II) of the Code not being treated as a private activity bond for this purpose), (ii) any obligation to which Section 141 (a) of the Code does not apply by reason of Sections 1312, 1313, 1316 (g) or 1317 of the Tax Reform Act of 1986 and which is described in Section 265 (b)(3)(C)(ii)(II) of the Code, and (iii) any obligation issued to refund (other than to advance refund within the meaning of Section 149 (d)(5) of the Code) any obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation] which will be issued by the Lessee and by any aggregated issuer during the current calendar year will not exceed \$10,000,000.

Section 11.18 *Exhibits*. This Lease shall not be effective as against Lessor until such time as all Exhibits attached hereto, consisting of Exhibits "A" through "E," inclusive, are completed to the satisfaction of Lessor and delivered to Lessor.

EXHIBITS

- Exhibit A..... Description Of Equipment
- Exhibit B Resolution Of Governing Body
- Exhibit C Payment Schedule
- Exhibit D..... Opinion Of Lessee’s Counsel
- Exhibit E Delivery and Acceptance Certificate

Executed this ____ day of _____, 20____.

Lessor:

Zions First National Bank

By _____
Alex Buxton, Vice President

Lessee:

Kanab City, Utah

By _____
Nina Laycook, Mayor

EXHIBIT A
Description Of Equipment

| Quantity | Description/Serial Numbers |
|----------|--|
| 8 | 5) RAM 1500 Crew 4x4 V8 Police Patrol Pkg, VIN: 1C6RD7KT8CS320727, 1C6RD7KYXCS320728, 1C6RD7KT1CS320729, 1C6RD7KT8CS320730, 1C6RD7KT3CS295655, 1) Ford F150 Crew 4x4 EcoBoost Fire Admin Pkg VIN: 1FTFW1ET6CFC04059, 2) Camaro SS V8 Leather Undercover Police Pkgs, VIN's: 2G1FK1EJ5D9127374, 2G1FK1EJXC9191165 |

Initials of Lessee Signatory

EXHIBIT B
Resolution Of Governing Body
Extract Of Minutes

October 19, 2012

Kanab City, Utah

The City Council (the “Governing Body”) of Kanab City, Utah met in regular session at its regular meeting place in Kanab City, Utah on October 19, 2012, with the following members of the Governing Body present:

| | |
|-----------------------|----------------|
| Nina Laycook..... | Mayor |
| Ed Meyer..... | Council Member |
| Joe B. Wright | Council Member |
| Cheryl Brown..... | Council Member |
| James Sorenson..... | Council Member |
| Kirt Carpernter | Council Member |

Also present:

RaeLene JohnsonCity Treasurer

Absent:

After the meeting had been duly called to order and the minutes of the preceding meeting read and approved, the following resolution was introduced in written form, read in full, and pursuant to motion duly made by Council Member _____ and seconded by Council Member _____ was adopted by the following vote:

YEA:

NAY:

The resolution was then signed by the _____ in open meeting and recorded by the _____. The resolution is as follows:

A resolution approving the form of the Equipment Lease Agreement with Zions First National Bank, Salt Lake City, Utah. Finding that it is in the best interests of Kanab City, Utah to enter into said Agreement, and authorizing the execution and delivery thereof.

Whereas, the City Council (the “Governing Body”) has determined that a true and very real need exists for the leasing of the equipment described in the Equipment Lease Agreement presented to this meeting; and

Whereas, the Governing Body has reviewed the form of the Equipment Lease Agreement and has found the terms and conditions thereof acceptable to Kanab City, Utah; and

Whereas, the Governing Body has taken the necessary steps including any legal bidding requirements, under applicable law to arrange for the leasing of such equipment under the Equipment Lease Agreement.

Be it resolved by the Governing Body of Kanab City, Utah as follows:

Section 1. The terms of said Equipment Lease Agreement are in the best interests of Kanab City, Utah for the leasing of the equipment described therein.

Section 2. The Mayor and City Treasurer are hereby authorized to execute and deliver the Equipment Lease Agreement and any related documents necessary to the consummation of the transactions contemplated by the Equipment Lease Agreement for and on behalf of Kanab City, Utah.

Section 3. The officers of the Governing Body and Kanab City, Utah are hereby authorized and directed to fulfill all obligations under the terms of the Equipment Lease Agreement.

Adopted and approved this _____ day of _____, 20_____.

By _____
Nina Laycook, Mayor

STATE OF UTAH)
 :ss.
COUNTY OF KANE)

I, RaeLene Johnson hereby certify that I am the duly qualified and acting City Treasurer of Kanab City, Utah.

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the City Council including a Resolution adopted at said meeting held on October 19, 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 _____, 20____.

In witness whereof, I have hereunto set my hand and affixed the corporate seal of Kanab City, Utah this _____ day of _____, 20_____.

By _____
RaeLene Johnson, City Treasurer

[S E A L] ↑

STATE OF UTAH)
 :ss.
COUNTY OF KANE)

I, RaeLene Johnson, the duly qualified City Treasurer of Kanab City, Utah do hereby certify:

- (a) that in accordance with the requirements of Section 52-4-6 (1), Utah Code Annotated (1953), as amended, public notice of the 20____ Annual Meeting Schedule of the City Council (the “Governing Body”) of Kanab City, Utah was given, specifying the date, time and place of the regular meetings of the Governing Body scheduled to be held during the year, by causing a Notice of Annual Meeting Schedule for the Governing Body to be posted on _____, 20____, at the principal office of the Governing Body at Kanab City, Utah; said Notice of Annual Meeting Schedule having continuously remained so posted and available for public inspection during regular office hours of the undersigned until the date hereof; and causing a copy of the Notice of Annual Meeting Schedule to be provided on _____, 20____ to at least one newspaper of general circulation within the geographic jurisdiction of Kanab City, Utah, or to a local media correspondent;
- (b) that in accordance with the requirements of Section 52-4-6 (2), Utah Code Annotated (1953), as amended, public notice of the regular meeting of the Governing Body on October 19, 2012, was given by specifying in a Notice of Regular Meeting the agenda, date, time and place of the meeting and by causing the Notice of Regular meeting to be posted at the principal office of the Governing Body on the ____ day of _____, 20____ a date not less than 24 hours prior to the date and time of the Governing Body’s regular meeting, and to be provided on the ____ day of _____, 20____, to at least one newspaper of general circulation within the geographic jurisdiction of Kanab City, Utah, or to a local media correspondent.

In witness whereof, I have hereunto set my hand and affixed the official seal of Kanab City, Utah this ____ day of _____, 20____.

By _____
RaeLene Johnson, City Treasurer

[S E A L] ↑

EXHIBIT C
Payment Schedule

Lessee: Kanab City, Utah

Date of Lease: October 23, 2012

Amount Due: \$295,900.00

1. Interest has been computed at the rate of 2.3 % per annum. Interest shall accrue from the Commencement Date.
2. Rental payments shall be due annually commencing October 23, 2012. The payments set forth on the attached debt service schedule shall be due on the 23rd day of October up to and including October 23, 2016.
3. The Option Purchase Price, on any given date of calculation, is equal to the Principal Outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such calculation date is a Rental Payment Date, in which case, the Principal Outstanding as of such date) plus accrued interest from such Rental Payment Date at the rate set forth in paragraph number 1 above.

[Please see the attached Debt Service Schedule]

The remainder of this page has been intentionally left blank

Kanab City, Utah

\$295,900 Equipment Lease Purchase

Dated October 23, 2012

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|---------------------|---------------|--------------------|---------------------|
| 10/23/2012 | 47,605.38 | - | - | 47,605.38 |
| 10/23/2013 | 41,894.60 | 2.300% | 5,710.78 | 47,605.38 |
| 10/23/2014 | 67,241.59 | 2.300% | 4,747.20 | 71,988.79 |
| 10/23/2015 | 68,788.15 | 2.300% | 3,200.64 | 71,988.79 |
| 10/23/2016 | 70,370.27 | 2.300% | 1,618.52 | 71,988.79 |
| Total | \$295,900.00 | - | \$15,277.14 | \$311,177.14 |

Yield Statistics

| | |
|-----------------------------------|-------------|
| Bond Year Dollars | \$664.22 |
| Average Life | 2.245 Years |
| Average Coupon | 2.3000005% |
| Net Interest Cost (NIC) | 2.3000005% |
| True Interest Cost (TIC) | -4.2508718% |
| Bond Yield for Arbitrage Purposes | -4.2508713% |
| All Inclusive Cost (AIC) | -4.0695989% |

IRS Form 8038

| | |
|---------------------------|-------------|
| Net Interest Cost | 2.3000005% |
| Weighted Average Maturity | 2.245 Years |

Lease 10/23/12 | SINGLE PURPOSE | 10/ 2/2012 | 11:03 AM



Initials of Lessee Signatory

EXHIBIT D
Opinion Of Lessee's Counsel
(Use Attorney's Letterhead)

To: Zions First National Bank
One South Main Street
Salt Lake City, Utah 84111

Gentlemen:

As counsel for Kanab City, Utah ("Lessee"), I have examined duly executed originals of Equipment Lease Agreement (the "Lease") dated October 23, 2012, between the Lessee and Zions First National Bank, Salt Lake City, Utah ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Utah.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditors' rights generally.
5. The Lease is in accordance with and does not violate the usury statutes of the State of Utah, if any.
6. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

Attorney for Lessee

EXHIBIT E
Delivery And Acceptance Certificate

To: Zions First National Bank

Reference is made to the Equipment Lease Agreement between the undersigned (“Lessee”), and Zions First National Bank (“Lessor”), dated October 23, 2012, (“the Lease”) and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. The serial number for each item of Equipment which is set forth on Exhibit “A” to the Lease is correct.

This certificate shall not be considered to alter, construe, or amend the terms of the Lease.

Lessee:

Kanab City, Utah

Witness

By: _____
(Authorized Signature)

(Print name and title)

Date: _____

INTERLOCAL AGREEMENT REGARDING RECREATION SERVICES

This Agreement is made this _____ day of _____, 2012, pursuant to the Interlocal Cooperation Act, Chapter 13 of Title 11, Utah Code Annotated (1953), as amended (the "Act"), by and between Kane County, a body corporate and politic of the State of Utah ("County"), and Kanab City, a municipal corporation under the laws of the State of Utah (CITY).

WITNESSETH:

WHEREAS, all parties are public agencies within the meaning of Section 11-13-103(13) of the Act; and

WHEREAS, pursuant to §11-13-202 of the Act, the parties are empowered to engage in joint or cooperative action; provide services that they are each authorized by statute to provide; to exchange services that they are each authorized by statute to provide; or to do anything else that they are each authorized by statute to do; and

WHEREAS, the parties desire to jointly provide and enhance recreation services;

WHEREAS, this agreement does not:

1. include an out-of-state public agency as a party;
2. provide for either public agency to acquire or construct any new facility or improvement to real property;
3. provide for the acquisition or transfer of title to any real property by either party;
4. require either party to issue bonds;
5. create an interlocal entity;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for good and valuable consideration, and in compliance with and pursuant to terms of the provisions of the Act as hereinabove set forth, the County and City do hereby contract and agree with each other as follows:

Duration: This agreement is to expire December 31, 2015, except that either party may formally withdraw as set forth herein.

No Interlocal Entity Created: This agreement shall not create an Interlocal Entity within the meaning of the Act.

Purpose: The purposes of this Agreement are set forth in the recitals above.

Manner of Financing: The City will provide quarterly payments to the County of \$8,750 beginning on January 1, 2012. The County will provide all other needed resources for the employment of a full-time recreation director.

Termination: The agreement shall terminate only upon written notice being served by either party 90 days before the date of termination. Any property acquired by any party in the furtherance of this agreement shall be retained by that party upon termination of this agreement.

County's Obligations: The County shall:

1. Hire a full-time Recreation Director using the job description included under Attachment A.
2. Obtain approval from Kanab City for any changes to the job description included under Attachment A.
3. Include one City designee in the recruitment, selection, and orientation for the Recreation Director.
4. Furnish all needed equipment, workstations, and resources related to the position of the Recreation Director.
5. Provide an annual report each January detailing:
 - a. The number of recreation programs within Kanab City facilitated by the Recreation Director.
 - b. The number participants for each program.
 - c. The Recreation Director's involvement with each program.
 - d. The number of special events within Kanab City facilitated by the Recreation Director.
 - e. The number participants for each event.
 - f. The Recreation Director's involvement with each event.
 - g. Any other information the Recreation Director deems useful for the City's evaluation of the effectiveness of this agreement.

City's Obligations: The City shall:

1. Provide quarterly payments to the County of \$8,750 beginning on January 1, 2012.
2. Coordinate regularly with the Recreation Director on the scheduling and maintenance of City-owned recreation facilities.

Should any party default in any of the covenants or agreements herein, the only remedy of the other parties shall be termination of this agreement.

IN WITNESS WHEREOF, the said parties to this Agreement have hereunto signed their names the day and year first above written.

KANE COUNTY, a body corporate and politic, by and through its county commission:

ATTEST: By _____
Chairman

Karla Johnson, Clerk-Auditor

Approved as to form this _____ day of _____, 2012, by the Kane County Attorney pursuant to §11-13-202.5, Utah Code Annotated (1953), as amended.

James Scarth, Kane County Attorney

Kanab City, a municipal corporation, by and through its Mayor:

ATTEST: _____
Mayor

Recorder

Approved as to form this _____ day of _____, 2012, by the Kanab City Attorney pursuant to §11-13-202.5, Utah Code Annotated (1953), as amended.

Kanab City Attorney

ATTACHMENT A

Kane County
Job Description



| | |
|--|---------------------------------|
| Job Title: Recreation Director | Job Code: |
| Division: Tourism/Film Commission | Effective Date: 10/15/12 |
| Department: Commission/Administration | Last Revised: 10/15/12 |

GENERAL PURPOSE

Performs a variety of **first-level supervisory duties** related to planning, organizing, and evaluating activities necessary to providing recreational programs for individuals and groups of all ages, and for establishing and maintaining effective relations with user groups. Meets with and receives input from Kanab City’s Parks and Recreation Board and Kane County Tourism Advisory Board.

SUPERVISION RECEIVED

Works under the general supervision of the Office of Tourism Director.

SUPERVISION EXERCISED

Frequently determines own practices and procedures in varied work situations, and is expected to use independent judgment when appropriate. May supervise the work of others.

ESSENTIAL FUNCTIONS

1. Develop and implement a comprehensive Kanab/Kane County Recreation Program that will have wide appeal across all age groups. Take into consideration the needs, interests and volunteer base of communities.
2. Promote, organize, schedule, and supervise youth and adult leagues for a variety of sports. Work with volunteers to plan sporting events and tournaments with the intent to reflect joint criteria between Kane County and Kanab City, splitting the work load as follows: approximately ½ time focused on planning and promoting new events, approximately ¼ time on Kanab recreational programs and approximately ¼ time on Kane County recreational programs.
3. Plan, organize, and schedule monthly programs such as recreational classes, clinics, workshops, and community special events with an emphasis towards scheduling events during the shoulder tourism periods. Programs to be updated and kept current with the addition of new events as needed.
4. Work with Kane County volunteer center to support, recruit, coordinate and organize significant volunteers to run events. Recruit, employ or train necessary officials.
5. Coordinate activities and maintain open communication and excellent public relations with City/County authorities, school district and other agencies.
6. Prepare communications to inform public of schedules pertaining to programs including pamphlets, web-based sites, social media and community calendar. Plan and direct promotion and publicity for programs and events. Set up online registrations.
7. Coordinate with City maintenance personnel and School District to insure fields and facilities are

- maintained at an acceptable, safe level.
8. Ensure that all programs are self supporting financially.
 9. Share responsibility to answer phones, greet people, and prepare correspondence. Maintain records such as attendance, income from fees, expenditures. Submit reports to the Kane County Office of Tourism Advisory Board, the Kanab City Manager and Kanab City Parks and Recreation Board as requested.
 10. Meet monthly with the Kanab Parks and Recreation Board.
 11. Attend recreational events as required to ensure smooth operation.
 12. Perform all work in accordance with sound safety practices.
 13. Performs related duties as required.

MINIMUM QUALIFICATIONS

1 Education and Experience:

A. B.S in Recreation or related field

AND

B. Sufficient experience in the hospitality industry to demonstrate an aptitude and ability to perform above and related duties;

OR

C. An equivalent combination of education and experience.

2 Required Knowledge, Skills and Abilities:

Considerable knowledge of the objectives and principles of public recreation, including a thorough understanding of activities which make up a community recreation program; maintain professional knowledge through journals and seminars, as directed;

Working knowledge of the computer and the Internet for Promoting, Advertizing and Communicating events to the community;

Some knowledge of marketing strategies and budget processes.

Skill in the use of standard office equipment, including the personal computer, at a high skill level.

Ability to possess personal characteristics that create and maintain interest and enthusiasm with public and private groups and individuals of all ages; be available as necessary, to make and receive contacts by telephone and in person efficiently and effectively during irregular hours; ability to communicate effectively and make presentations to large groups; ability to write effective proposals, reports, correspondence, and other informational and persuasive materials; ability to lift 50 lbs.

3 Special Qualifications:

Must have a current Utah drivers license. Must possess or be able to obtain a first-aid/CPR card within six months of employment. Must agree to and pass a complete background check. As an absolute condition of employment, employee is required upon hire to sign a drug-free workplace agreement and an agreement not to use tobacco products in any form, on the job. Must be able to work a variable schedule, including some evenings and Saturday's.

4 Working Environment:

Tasks require variety of physical activities, not generally involving muscular strain, such as

walking, standing, stooping, sitting, reaching, talking, hearing and seeing. Common eye-hand, finger, leg and foot dexterity exist. Mental application utilizes memory for details, verbal instructions, emotional stability, discriminating thinking and some creative problem solving. Frequent travel required in the normal course of job performance. Agility, for example, to go to facilities as necessary to monitor participants attending events for a minimum of four hours. Sensory ability as necessary to officiate athletic events and to monitor other events for safety and conformance to rules and regulations.

Disclaimer: The above statements describe the general nature, level, and type of work performed by the employee(s) assigned to this classification. They are not intended to be an exhaustive list of all responsibilities, demands, and skills required of personnel so classified. Job descriptions are not intended to and do not imply or create any employment, compensation, or contract rights to any person or persons. Management reserves the right to add, delete, or modify any and/or all provisions of this description at any time as needed without notice. This job description supersedes earlier versions.

I _____ have reviewed the above job description. Date: _____
(Employee)

DRAFT