City Council Meeting

Tuesday, January 19, 2021
City Hall Council Chambers
5249 South 400 East, Washington Terrace City
801-393-8681
www.washingtonterracecity.com

*** Note:** The Centers for Disease Control and Utah Department of Health have declared a national and state pandemic for COVID-19 where social distancing and other requirements are in place to prevent the spread of this infectious disease. Members of the Public may view the meeting via the City's Facebook page at: Washingtonterracecity.com. Comments on appropriate agenda items may be emailed to: amy@washingtonterracecity.org, or typed into the Facebook live stream at the citizen's comments agenda item.

1. WORK SESSION: 5:00 P.M.

Topics to include; but are not limited to:

- **The administrative approach to code compliance discussion**

2. ROLL CALL 6:00 P.M.

3. PLEDGE OF ALLEGIANCE

4. WELCOME

5. CONSENT ITEMS

5.1 APPROVAL OF AGENDA

Any point of order or issue regarding items on the Agenda or the order of the agenda need to be addressed here prior to the approval of the agenda.

5.2 APPROVAL OF JANUARY 5, 2021 MEETING MINUTES

6. CITIZEN COMMENTS

This is an opportunity to address the Council regarding your concerns or ideas that are not on the agenda as part of a public hearing. Please limit your comments to no more than 3 minutes.

7. COUNCIL/STAFF RESPONSE AND CONSIDERATION TO CITIZEN COMMENTS

Council and staff will consider and address concerns and take appropriate measures to follow up on any comments made in the citizen comments item on the agenda

For more information on these agenda items, please visit our website at www.washingtonterracecity.com

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In compliance with the Americans with Disabilities Act, persons who have need of special accommodation should contact the City Recorder at 801-395-8283.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted in three public places within the City of Washington Terrace City limits and sent to the *Standard Examiner* at least 24 hours prior to the meeting. Amy Rodriguez, City Recorder.

8. RECURRING BUSINESS

This agenda item consists of items that have previously been discussed in past Council meetings and brought back for further discussion or action.

8.1 MOTION/DISCUSSION: TO APPROVE THE FINANCING PLAN FOR HEAVY EQUIPMENT REPLACEMENT

The proposed financing plan offers a 5-year outlook to replace heavy equipment needs identified in the Capital Equipment Replacement Plan.

8.2 DISCUSSION/MOTION: MOTION TO APPROVE THE PURCHASE OF HEAVY EQUIPMENT

Approve the purchase schedule for heavy equipment replacement vehicles for Public Works.

9. NEW BUSINESS

9.1 DISCUSSION/ACTION: DIRECTION ON ADMINISTRATIVE APPROACH TO CODE ENFORCEMENT

Council may discuss and give direction on the administrative approach discussed in the work session.

9.2 DISCUSSION/MOTION: APPROVAL OF CITY CONTRIBUTION AMOUNT FOR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) APPLICATION

Approval from Council to commit to funding the grant match required for a CDBG grant application for City Wide Water Valve Replacements for the 2021 grant year.

9.3 DISCUSSION/ACTION: DISCUSSION ON VOLUNTARY CONTINUATION OF THE SICK LEAVE PROVISION SET FORTH IN THE FAMILIES FIRST CORONAVIRUS RESPONSE ACT

The provisions entitled under the FFCRA act expired on December 31, 2020, leaving the decision to continue extending Paid Sick Leave due to Coronavirus up to the employer . Council will discuss and determine if they would like to continue, modify, or discontinue the benefit.

10. COUNCIL COMMUNICATION WITH STAFF

This is a discussion item only. No final action will be taken.

11. ADMINISTRATION REPORTS

This is an opportunity for staff to address the Council pertaining to administrative items.

12. UPCOMING EVENTS

January 28th: Planning Commission Meeting 6:00 p.m. (tentatively cancelled)
February 2nd: City Council Work Session **4:00 p.m**
February 2nd: City Council Meeting 6:00 p.m.

13. ADJOURN THE MEETING: MAYOR ALLEN

14. REDEVELOPMENT AGENCY MEETING (THE RDA MEETING WILL IMMEDIATELY FOLLOW THE REGULAR MEETING)

For more information on these agenda items, please visit our website at www.washingtonterracecity.com

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City of Washington Terrace

Minutes of a Regular City Council meeting
Held on January 5, 2021
City Hall, 5249 South 400 East, Washington Terrace City,
County of Weber, State of Utah

*** Note:** The Centers for Disease Control and Utah Department of Health have declared a national and state pandemic for COVID-19 where social distancing and other requirements are in place to prevent the spread of this infectious disease. Members of the Public may view the meeting via the City's Facebook page at: Washingtonterracecity.com. Comments on appropriate agenda items may be emailed to: amy@washingtonterracecity.org, or typed into the Facebook live stream at the citizen's comments agenda item.

MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT AT WORK SESSION

Mayor Mark C. Allen
Council Member F. Carey Seal
Council Member Blair Brown
Council Member Larry Weir
Council Member Scott Barker
Council Member Jeff West
Finance Director Shari' Garrett
General Planner Tyler Seaman
Leisure Services Director Aaron Solomon
Public Works Director Jake Meibos
City Manager Tom Hanson
City Recorder Amy Rodriguez

Others Present

The Meeting was held via zoom on Facebook live.

1. WORK SESSION: 5:00 P.M.

Topics to include; but are not limited to:

- **Terrace Capital Investment Projects (TCIP)**
- **Truth In Taxation**

Hanson displayed updates to the Terrace Capital Investment Plan interactive link on our website. The projects are available online with an anticipated time frame. Hanson explained several projects and how it applies to funding working through the Truth in Taxation. Some of the projects discussed:

Several Road Reconstructions: Time line 0-5 years.

5000 West Road Reconstruction: Time line 5-10 years.

Road surface maintenance: Class C monies will be used, along with General funds if needed.

Hanson highlighted the roads in the 0-5 year time line. He stated as surface treatments are done to the roads, it is adding flexibility to the road so that it does not crack or break, extending the life of the road. Hanson stated that some of these roads will tie into infrastructure projects. Hanson stated that the goal is to extend what we do have instead of tearing up and replacing roads. Hanson stated that we are working

together within the programs to support the infrastructure of the City, the deliverance of water, and the removal of storm water.

Hanson stated that we would like to capture the bond money that goes along with our TCIP projects. Hanson stated that the projects are for infrastructure for the City. Hanson stated that the scope of the project has been made more manageable without excessive undue burden. Council Member Barker asked how we are going to fund this over the next few years. Hanson stated that we are working with staff on the planning and execution and how we can raise funding and financing together so that we can bring a lot of the projects forward. He stated that we are going to use each aspect of our capacity so that it is sustainable. He stated that we are making sure that we have the highest project prioritized. He stated that the timing of projects is based on need.
Hanson stated that the engineer's budgets are included on the map.

Hanson stated that we may be able to capture the funds needed through T and T, depending on the comfortability level of Council. Hanon stated that we are in a good position to fund these projects. He stated that we are postponing critical needs of the City to take care of basic needs of the City. Hanson stated that we had a tax reduction last year. The Mayor stated that our tax reduction was around 4.5-5 percent. Hanson stated that it was reduced due to challenges with COVID19. Hanson stated that T and T process would capture the revenues needed and be a flat rate to stakeholders.
Hanson stated that we are receiving $136.00 per a home valued at $100,000. Garrett stated that our revenue amounts are increasing as home assessments increase. She stated that tax rates vary from year to year.
Garrett stated that we will bring back opportunities and options to Council. She stated that grants, bonding, and cash are some of the opportunities. She stated that market prices are great right now.

Garrett stated that staff is working on the funding options on the heavy equipment and it will be presented to Council at the next meeting. Garrett stated that there will be a drop off on long term debt in the coming year.

MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT

Mayor Mark C. Allen
Council Member F. Carey Seal

Council Member Blair Brown
Council Member Larry Weir
Council Member Scott Barker
Council Member Jeff West
General Planner Tyler Seaman
Finance Director Shari' Garrett
Leisure Services Director Aaron Solomon
City Manager Tom Hanson
City Recorder Amy Rodriguez

Others Present
The meeting was held via zoom and live streamed on Facebook

2. ROLL CALL **6:00 P.M.**

3. PLEDGE OF ALLEGIANCE

4. WELCOME

5. CONSENT ITEMS
5.1 APPROVAL OF AGENDA
5.2 APPROVAL OF DECEMBER 15, 2020 MEETING MINUTES
Items 5.1 and 5.2 were approved by general consent.

5.3 APPOINTMENT OF COUNCIL MEMBER BROWN TO SERVE AS BOARD MEMBER ON THE WEBER MOSQUITO ABATEMENT DISTRICT BOARD OF TRUSTEES
Mayor Allen re-appointed Council Member Brown to represent Washington Terrace City as a Board Member on the Weber Mosquito Abatement District Board of trustees.

Motion by Council Member Barker
Seconded by Council Member Weir
To be appointed to serve on the Weber County Mosquito Abatement District Board of Trustees
Approved unanimously (5-0)

6. CITIZEN COMMENTS
There were no citizen comments.

7. COUNCIL/STAFF RESPONSE AND CONSIDERATION TO CITIZEN COMMENTS
Due to lack of citizen comments in item 6, item 7 is unnecessary.

8. NEW BUSINESS
8.1 DISCUSSION/ACTION: 2021 RECREATION ARTS MUSEUM PARKS (R.A.M.P) APPLICATION CONSIDERATIONS

Solomon stated that we will be applying for two grants this year. He stated that the projects are mostly repairs. He stated that one application is to repair the lighting at the Horseshoe Pit at Rohmer Park. He stated that the estimates are around $5000.
He stated that the second item is to replace the trees that were blown down during the windstorm in our parks. He stated that there should be no more than 30 trees and is estimated around $6000.
Solomon stated that the goal is to have a 40 percent match.
Hanson stated that we would like to work on our Parks master plan. Hanson stated that future plans may include pickle ball courts.
Solomon stated that the roots of the trees in the park have already been torn out. Hanson would like to put in a request for place rock between the parking lots at Little Rohmer. He stated that it could be bundled in with the tree grant. Council Member West stated that it looks like we might be losing a couple of pine trees in the parking lot at Little Rohmer and would like them to be added into the grant if possible, stating that one looks sickly.

Motion by Council Member West
Seconded by Council Member Seal
To approve the 2021 RAMP grant applications
Approved unanimously (5-0)

8.2 DISCUSSION: TERRACE DAYS 2021 DISCUSSION

Solomon stated that there is no direction from the health department this far out as to what will and will not be allowed in June. He stated that we will need to start fund raising shortly. Mayor Allen stated that he would at least like to do fireworks this year. Council Member Brown stated that he is in favor of the fireworks, as well as Council Member Barker. Solomon stated that he believes that we can get full funding for the fireworks. Mayor Allen stated that we should plan on fireworks at the least.

8.3 MOTION/ORDINANCE 21-01: AMENDING MUNICIPAL CODE 10.16.050 "WINTER PARKING "TO DEFINE INFRACTION AMOUNT

Seaman stated that we are looking to amend the current ordinance to define the infraction amount on the winter parking ordinance. Seaman stated that there is a need to get vehicles off the streets during the winter. He stated that he compared fees with several cities and concluded that $20.00 is a comparable fee price, noting that if it is not paid after 14 days, the amount raises to $50.00.
He stated that another problem is an issue of people not paying their fines or moving their vehicles off the road. He stated that if they are not covering their multiple fines, it allows law enforcement to tow the vehicle immediately.
Council Member Brown asked if an officer can view the history of a vehicle at night, or would he have to wait until the next day. Seaman stated that the fines will be assigned to the license plate of the vehicle and the officers will be able to view the history. He stated that the payment history would be available through the courts system. Hanson stated that we most likely would determine if a vehicle was a consistent problem before we tow a vehicle. Council Member Barker stated that the whole process is to get the vehicles off the street at night. Seaman stated that the most improvement has come when the Sheriff's started putting tickets on vehicles. He stated that sometimes the infraction with the monetary fine has made people more aware. Council Member Weir stated that he has seen improvements within the last few days.

Lt. Butler stated that the deputies are trying to cite vehicles, dependent on calls for service.
Seaman stated that the ordinance would also apply to trailers left on the road, year round.
Seaman stated that the winter parking ordinance is from date to date, or during a snow storm event. He stated that it is between 1:00 am and 5:00am, or during a storm event. It extends to 72 hours after a snow event.
Seaman stated that we are allowing people to park on their grass during the winter parking timeframes.

Motion by Council Member Seal
Seconded by Council Member Barker
To approve Ordinance 21-01 to amend municipal code
10.16.050 "Winter Parking"
Approved unanimously (5-0)
Roll Call Vote Taken

8.4 DISCUSSION: TERRACE CAPITAL INVESTMENT PROJECTS (TCIP) AND POSSIBLE TRUTH IN TAXATION FOR FISCAL YEAR 2022

Hanson stated that staff would like feedback on whether Council would like staff to work on educating residents on the potential Truth and Taxation and what we would like to do with the funds.
Hanson did a summary of the work session discussion, stating that the expiration of the GO bonds in 2020 and 2021. He stated that we were the only entity in 2020 that had a tax decrease. He stated that the reduction in 2021 was associated as a tax decrease. Moving forward, we would like to capture the decrease funds with a Truth in Taxation to help with the infrastructure of the City. Hanson stated that the intent is to keep the taxation level to capture the funds. He stated that we would be able to gain the capital necessary to do our projects, without raising the burden to the residents.
Hanson asked if Council would like staff to start the discussion to describe what we are trying to accomplish and how it would affect their families. Mayor Allen stated that there is no sense in surprising anyone and education is the key. Council Member Barker agreed and asked when we would have an official meeting on it. Hanson stated that there would be an inclusion in the budget documents and ratified in August after the statutory requirements are met. Mayor Allen asked Garrett to put together a calendar of the meetings and deadlines.
Mayor Allen stated that we need to be careful how the information is put out. He stated that Hanson should say that it is a tax increase, however, mention that there is a tax reduction. He stated that it should not be put forth as a wash. Council Member Brown asked if we could do a better job of describing why we are doing this and lay out the responsibility of keeping up the water and sewer and that we have to take care of business. He stated that he should explain that we are doing everything possible to keep their burden the same.

9. COUNCIL COMMUNICATION WITH STAFF

Council Member Seal stated that he spoke with Meibos about the light on 5700 South. He stated that a work order has been put in. He asked Hanson on the time frame for the crossing lights. Hanson stated that they have been ordered and should be up within the next thirty days.

Council Member Barker asked if we have sold our eligible fleet. Hanson stated that one vehicle is on sale now and the others are on hold until we have the vehicles to replace them.
Council Member Barker asked if the new medical building is progressing. Hanson stated that the

developers were working on GEOtech specs and had to adjust their location a little bit. Hanson stated that we should see some ground breaking this year.
Council Member Barker asked if there has been feedback on the new Business License fees. Hanson stated that for the most part it has been quiet, however, he has had some conversations with several of the assisted living homes. He stated that most understand the change.

Mayor Allen stated that he spoke with Gerritsen on New Year's Eve and there were still 67 outstanding licenses. He stated that all the nursing homes and long term care had paid their licenses and understood the disproportionate fees.

Mayor Allen stated that the Weber County facility has been opened for the COVID vaccine. Hanson stated that our firefighters are signed up and should be receiving their vaccinations currently.

10. ADMINISTRATION REPORTS

Hanson stated that the work session on February 2nd will be a field trip to Recycled Earth. He stated that the survey for recycling will go live around the same time.

Rodriguez stated that the Consolidated Appropriations Act (CAA) did not extend employees entitlement to FFRCA paid sick leave and Emergency FMLA leave beyond December 31st. She stated that employers are no longer legally required to provide such leave. We are now in the situation to update our policy moving forward to either voluntarily extend the leave benefits to employees, or require them to use their accrued sick or vacation leave if needed for testing, quarantining, or illness. She stated that the topic will be brought back to Council at the next meeting for a discussion and decision on how they would like to proceed.

11. UPCOMING EVENTS

January 18th: City Offices Closed for Martin Luther King Jr Holiday
January 19th: City Council Work Session 5:00 p.m.
January 19th: City Council Meeting 6:00 p.m.
January 28th: Planning Commission Meeting 6:00 p.m.
February 2nd: City Council Work Session 5:00 p.m.
February 2nd: City Council Meeting 6:00 p.m.

12. ADJOURN THE MEETING: MAYOR ALLEN

Mayor Allen adjourned the meeting at 7:16 p.m.

_____ _____

Date Approved **City Recorder**

City Council
Staff Report

Author: Shari' Garrett, Finance Department
Subject: FINANCING PLAN | HEAVY EQUIPMENT | 5-year
Date: January 19, 2021
Type of Item: MOTION/DISCUSSION

Summary Recommendations: That the City Council discuss and, by motion, approve the proposed heavy equipment financing plan as outlined in this report.

Description:

A. Heavy Equipment Financing Plan | 5-year

B. Background:

On December 15, 2020, staff presented to Council a Heavy Equipment Replacement Plan. The Plan identified and prioritized heavy equipment needs based on the applicable evaluation criteria.

At that time, staff was directed to seek out financing options for Council consideration. The following financing plan addresses heavy equipment replacement needs over the next 5 years.

C. Analysis:

FINANCING BIDS |

Lender	TIC (True Interest Cost)	$ To be Financed
Zions Bank	1.75%	>500,000
	1.35%	<500,000
Bank of Utah	2.34	750,000
Lewis Young	Estimated market rates at 2.25 - 2.3%	
VanCorp Bank (Rush)	4.48%	Non-ownership lease financing
Chase Bank	Discontinued capital equipment finance in Jan 2020. Market conditions were not advantageous for them to be competitive.	
GoldenWest CU	Do not offer tax exempt capital equipment lease (lower rates).	

FINANCING PLAN |

The *attached* financing plan includes the 5-year replacement of 6 units.

Four of these units, identified in the Capital Equipment Replacement Plan as needing "immediate" and "0-2" year replacement, are proposed to be bundle financed with Zions Public Finance. To take advantage of optimal lending conditions it is proposed that all four units be replaced at this time. The financing terms would include a 5-year par amount of $750,000 at 1.35% with the loan closing on 3/4/2021.

The remaining 2 units, identified as needing "0-2" year and "2-4" year replacement, are proposed to be cash financed in FY 2024. Cash financing requirements are estimated at $280,000.

The plan assumes that the 5-year financing requirements will be accomplished within the existing Capital/Fleet budgets and regularly scheduled annually budget appropriations as has been done in the past.

Proceeds from existing equipment sales will be used to pay down the loan. Surplus proceeds have not been included in this plan due to their unknown nature.

SAMPLE LEASE AGREEMENT |

The *attached* sample lease agreement would require Council approval on 2/16/2021 to secure financing at the stated rate with Zions Public Finance.

PROCUREMENT TIMELINE |

1/19/2021	Council | Approve 5-year Financing Plan
1/20/2021	Staff | Begin Placing Vehicle/Equipment Orders with Vendors
2/16/2021	Council | Approve Equipment Lease Agreement | Zions Bank
1/20 – 3/3/21	Satisfy IRS Tax Exempt Rule |Expend 5% or $50,000, whichever is **more** to officially close
3/4/2021	Mayor/Staff | Equipment Lease Closing & Funding | Zions Bank
April 2021 (est.)	Ordered Vehicles Received
May-June 2021 (est.)	Ordered Equipment Received/Installed

D. Department Review: City Manager, Finance

Alternatives:

A. **Approve the Request:** Staff will move forward as discussed and outlined in this staff report and as presented during the December 15, 2020, Council meeting.

B. **Deny the Request:** Staff will not move forward as outlined. Alternatives should be discussed and direction offered to Staff on how to proceed.

C. **Continue the Item:** Plan will be subject to interest rate and equipment pricing risk.

Recommendation: That the City Council approve the proposed heavy equipment financing plan as outlined in this report.

ANNUAL REQUIREMENTS BY EQUIPMENT

	2021	2022	2023	2024	2025	2026	TOTAL
Intl |10 Wheler Cab & Chassis | Vactor Sewer Cleaning		86,392	85,871	85,871	85,871	85,871	429,876
Intl|Bobtail Cab & Chassis		24,981	24,981	24,981	24,981	24,981	124,903
Intl|Bobtail Cab & Chassis		24,981	24,981	24,981	24,981	24,981	124,903
Dodge|Cab & Chassis | Demp bed, spreader, snow plow		20,297	20,297	20,297	20,297	20,297	101,485
Case |Backhoe				105,000			105,000
Tymco|Street Sweeper				175,000			175,000
	$ -	**$ 156,650**	**$ 156,129**	**$ 436,129**	**$ 156,129**	**$ 156,129**	$ 1,061,168

ANNUAL REQUIREMENTS BY ACTIVITY

	2021	2022	2023	2024	2025	2026	
Water		49,961	49,961	154,961	49,961	49,961	354,807
Sewer		86,392	85,871	85,871	85,871	85,871	429,876
Storm				175,000			175,000
Streets		20,297	20,297	20,297	20,297	20,297	101,485
	$ -	**$ 156,650**	**$ 156,129**	**$ 436,129**	**$ 156,129**	**$ 156,129**	$ 1,061,168

FIXED EQUIPMENT LEASE

Long Name of Entity:
Address:
City, State Zip:
Attention:
Public Finance Office:
County:
Amount:
Rate:
Maturity Date:
First Pmt Date:
Payment Dates:
Auto Extend:
Governing Body:
Resolution Date:
Dated Date:
Day:
State:

$

Lease Purchase Agreement

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1. Lease/Purchases Agreement of the
2. Exhibit A. Calculation of Interest Component
3. Exhibit B. Description of Leased Property
4. Exhibit C. Resolution of Governing Body
5. Exhibit D. Opinion of Lessee's Counsel
6. Exhibit E. Security Documents
7. Exhibit F. Delivery and Acceptance Certificate
8. Form 8038-G
9. Wire Transfer Request

LEASE/PURCHASE AGREEMENT

Dated as of

by and between

ZIONS BANCORPORATION, N.A.,
as Lessor

and

,
as Lessee

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LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of , by and between ZIONS BANCORPORATION, N.A., a national banking association duly organized and existing under the laws of the United States of America, as lessor (the "Bank" or "Lessor"), and (the "Lessee"), a public agency of the State of (the "State"), duly organized and existing under the Constitution and laws of the State, as lessee;

W I T N E S S E T H:

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

WHEREAS, the Bank agrees to lease the Leased Property to the Lessee 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.

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

"Governing Body" means the governing body of the Lessee.

"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(l)(ii)(A) hereof.

"Regulations" shall have the meaning set forth in Section 2.1(l)(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, E and F 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 Leased 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 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.

(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 Leased Property, and the weighted average term of this Lease does not exceed the weighted average useful life of the Leased Property.

(D) Each advance of funds by the Bank to finance Leased 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 Leased 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 Leased 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 Leased 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 Leased 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 Leased 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. The Bank hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Bank, upon the terms and conditions set forth herein.

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 E and F hereto. Prior to the Bank making the final Advance hereunder, Lessee shall provide the Bank an executed copy of the Delivery and Acceptance Certificate found in Exhibit F.

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, E and F 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 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 , 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.

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:

(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 Leased 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, the Lessee agrees to pay to the Bank, its successors and assigns, as annual rental for the use and possession of the Leased 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 of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a), or (c), the Lessee shall transfer the Leased 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 Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property, and the Lessee at the Bank's direction shall ship the Leased Property to the destination designated by the Bank by loading the Leased 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 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 public liability insurance with respect to the Leased Property in the amounts required by law, but in no event with a policy limit less than $1,000,000 per occurrence. All insurance shall be written 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 a loss payee as its interest under this Lease may appear on such property damage insurance policies, and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. 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 or self-insurance satisfactory to Bank, together with receipts for the applicable premiums before the Leased Property is delivered to Lessee and at least thirty (30) days before the expiration of any such policies. 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 workers 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.

The Lessee hereby covenants that it will install, use, operate, maintain, and service the Leased Property in accordance with all vendors' instructions and in such a manner as to preserve all warranties and guarantees with respect to the Leased Property.

The Lessor hereby assigns to the Lessee, without recourse, for the Term of this Lease, all manufacturer warranties and guaranties, express or implied, pertinent to the Leased Property, and the Lessor directs the Lessee to obtain the customary services furnished in connection with such warranties and guaranties at the Lessee's expense; provided, however, that the Lessee hereby agrees that it will reassign to the Lessor all such warranties and guaranties in the event of termination of this Lease pursuant to Sections 3.3(a) or 3.3(c).

SECTION 5.2 Interest in the Leased Property and this Lease. 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 Leased Property, the Lessee having selected the Leased Property independently from the Bank. The Bank, at the Lessee's request, has acquired or arranged for the acquisition of the Leased 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 Leased 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 Leased Property by virtue of the Bank's ownership interest as lessor of the Leased 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.

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 Leased 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 Leased 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 BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133
Attention: Kirsi Hansen

If to the Lessee:

Attention:

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 Leased Property as Lessor under this Lease is deemed to be a security interest in the Leased Property, then the Lessee shall be deemed to have granted, and in such event the Lessee does hereby grant, a security interest in the Leased 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 Leased 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 Leased 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.

[SIGNATURE PAGES TO FOLLOW]

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 BANCORPORATION, N.A., as Lessor

By:_____
Authorized Officer

, as Lessee

By:_____

_____
Title

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 _____ hundredths percent (%) per annum calculated based on twelve 30-day months during a 360-day year.

2. Payment Dates and Amounts.

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

EXHIBIT C

RESOLUTION OF GOVERNING BODY

A resolution approving the form of the Lease/Purchase Agreement with ZIONS BANCORPORATION, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The (the "Governing Body") of (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 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 _____, 2020.

By _____

Print Name_____

Title _____

Attest:

By _____

Print Name _____

Title_____

STATE OF)
) ss.
COUNTY OF)

I, _____ hereby certify that I am the duly qualified and acting _____ of (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 , 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 _____, 2020.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this _____ day of _____, 2020.

By _____

Print Name_____

Title _____

EXHIBIT D
Opinion of Lessee's Counsel

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

As counsel for ("Lessee"), I have examined duly executed originals of the Lease/Purchase Agreement (the "Lease") dated this day of , between the Lessee and ZIONS BANCORPORATION, N.A., Salt Lake City, Utah ("Bank"), and the proceedings taken by Lessee to authorize and execute the Lease (the "Proceedings"). 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 (the "State").

2. The Lease and the Proceedings have been duly adopted, authorized, executed, and delivered by Lessee, and do not require the seal of Lessee to be effective, valid, legal, or binding.

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 the Proceedings were adopted and the Lessee's execution of the Lease was authorized.

4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable against Lessee 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 creditor's rights generally.

5. Either there are no usury laws of the State applicable to the Lease, or the Lease is in accordance with and does not violate all such usury laws as may be applicable.

6. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property (as defined in the Lease) from the Bank under the Lease, or the acquisition and leasing of the Leased Property from the Bank under the Lease comply with all such procurement and public bidding laws as may be applicable.

7. 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.

8. The adoption, execution and/or delivery of the Lease and the Proceedings, and the compliance by the Lessee with their provisions, will not conflict with or constitute a breach of or default under any court decree or order or any agreement, indenture, lease or other instrument or any existing law or administrative regulation, decree or order to which the Lessee is subject or by which the Lessee is or may be bound.

9. Although we are not opining as to the ownership of the Leased Property or the priority of liens thereon, it is also our opinion that the Security Documents attached as Exhibit E to the Lease are sufficient in substance, form, and description, and indicated place, address, and method of filing and/or recording, to completely and fully perfect the security interest in every portion of the Leased Property granted under the Lease, and no other filings and/or recordings are necessary to fully perfect said security interest in the Leased Property.

_____
Attorney for Lessee

EXHIBIT E

SECURITY DOCUMENTS

[Attach a UCC-1 Financing Statement or Certificate of Title showing ZIONS BANCORPORATION, N.A. as the lien holder]

EXHIBIT F

DELIVERY AND ACCEPTANCE CERTIFICATE

To: ZIONS BANCORPORATION, N.A.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

Reference is made to the Lease/Purchase Agreement between the undersigned ("Lessee"), and ZIONS BANCORPORATION, N.A. (the "Bank"), dated , (the "Lease") and to that part of the Leased Property described therein which comprises personal property (collectively, the "Equipment"). 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 the Bank 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 "B" to the Lease is correct.

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

Lessee:

By: _____
(Authorized Signature)

Date: _____

BUDGET REQUIREMENTS

	2021	2022	2023	2024	2025	2026	Total
Water							
Equipment | Begin Balance	203,322	228,322	203,361	178,399	48,438	23,476	
Equipment | Annual Contribution	25,000	25,000	25,000	25,000	25,000	26,485	
Equipment | Annual Requirements		(49,961)	(49,961)	(154,961)	(49,961)	(49,961)	(354,807)
Equipment | Ending Balance	228,322	203,361	178,399	48,438	23,476	0	
Sewer							
Equipment | Begin Balance	179,625	219,625	173,233	127,362	81,491	35,620	
Equipment | Annual Contribution	20,000	20,000	20,000	20,000	20,000	20,000	
Equipmnet | Transfer from Fleet	20,000	20,000	20,000	20,000	20,000	30,251	
Equipment | Annual Requirements	-	(86,392)	(85,871)	(85,871)	(85,871)	(85,871)	(429,876)
Equipment | Ending Balance	219,625	173,233	127,362	81,491	35,620	(0)	
Fleet | Begin Balance	109,283	99,283	89,283	79,283	69,283	59,283	
Fleet | Annual Contribution	10,000	10,000	10,000	10,000	10,000	10,000	
Fleet | Transfer to Equipment	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(30,251)	
Fleet | Ending Balance	99,283	89,283	79,283	69,283	59,283	39,032	
Storm							
Equipment | Begin Balance	118,000	133,000	148,000	163,000	3,000	18,000	
Equipment | Annual Contribution	15,000	15,000	15,000	15,000	15,000	15,000	
Equipment | Annual Requirements	-	-	-	(175,000)	-	-	(175,000)
Equipment | Ending Balance	133,000	148,000	163,000	3,000	18,000	33,000	
Streets							
Equipment | Begin Balance	100,000	100,000	89,703	79,406	69,109	58,812	
Equipment | Transfer from Fleet	-	10,000	10,000	10,000	10,000	10,000	
Equipment | Annual Requirements	-	(20,297)	(20,297)	(20,297)	(20,297)	(20,297)	(101,485)
Equipment | Ending Balance	100,000	89,703	79,406	69,109	58,812	48,515	
Fleet | Begin Balance	104,198	114,198	114,198	114,198	114,198	114,198	
Fleet | Annual Contribution	10,000	10,000	10,000	10,000	10,000	10,000	
Fleet | Transfer to Equipment	-	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	
Fleet | Ending Balance	114,198	114,198	114,198	114,198	114,198	114,198	
							$ (1,061,168)

City Council
Staff Report

Author: Jake Meibos, Public Works Department
Subject: Purchase Heavy Equipment
Date: 1/5/2021
Type of Item: Discussion / Approval

THE CITY OF Washington Terrace
ADMINISTRATION

Summary Recommendation: Move to approve the Heavy Equipment purchasing plan

Description:

A. **Topic:** Heavy Equipment Financing Plan 0-5 yrs.

B. **Background:** At the Dec. 15th City Council meeting, Council approved to move forward with the Heavy Equipment Plan and to seek finance options. Finance Department has provided financing options to purchase the needed flowing equipment immediately:

- Sewer Vac Truck
- 5500 truck with snow package
- 2 - Cab and Chassis international Bobtail trucks and transfer our dump beds, spreaders and plows.

C. **Analysis:** The criteria in the Heavy Equipment Replacement Plan has been followed to develop the 5 yr. replacement plan. Replacing the essential Heavy Equipment at this time the Public Works Department will be able to:

- Maintain the City infrastructure (sewer, water, storm drains)
- Increase emergency response situations.
- Increase productivity
- Reduce repair cost
- Reduce down time

In 2017, the City upgraded to stainless steel dump beds and spreaders on the Bobtail dump trucks. By transferring the Dump Beds and spreaders to the new cab and chassis, we will save over $18,000.

Heavy Equipment Replacement Time Line.

2021		2-4 yr.	5- 10 yr.
Vac Truck		Backhoe (New)	Dodge 5500
5500 truck & snow package		Street Sweeper (Used)	10 Wheel Dump Truck (used)
Bobtail Cab & Chassis			J-D Loader (used)
Bobtail Cab & Chassis			

Department Review: City Manager, Public Works, and Finance

Alternatives:

A. **Approve the Request:** Staff is recommending the approval to purchase the 2021 heavy equipment list with the budget options recommended by Finance.

B. **Deny the Request:** Staff will not move forward with the heavy equipment plan. Staff will request direction from Council on how to proceed.

C. **Continue the Item:** Delaying the purchase of the Heavy Equipment will increase the risk of future costly repairs, increase replacement cost and decrease equipment efficiency.

THE CITY OF Washington Terrace

BUILDING &PLANNING

City Council Staff Report

Author: **Tyler D. Seaman, Community Development**

Subject: **Discussion and motion to move forward with gaining code compliance through the administrative approach.**

Date: **January 19, 2021**

Type of Item: **Discussion/Action**

Summary Recommendations: Staff would like to receive continued support in efforts made to change our code enforcement style to an administrative approach.

Description: Discussion and motion to move forward with potentially changing the Code Enforcement process from criminal into an administrative approach.

A. Topic: What is the difference between criminal and administrative code enforcement? How could this be more effective in gaining compliance to the land use laws in our jurisdiction?

B. Background: In the 1940's the Terrace was an implemental location for servicemen to bring their families to. The citizens of the Terrace have continued to establish it as one the best communities in Northern Utah. There is a lot of pride in this community and desires to keep the community well maintained and resilient through many years is what the citizen's desire. Washington Terrace City is always looking for ways to improve and be of better service to all members of the community.

C. Analysis: There has been a shift in staffing within the City Management. Tyler Seaman was placed into control of the Code Enforcement Division. With his previous work in other jurisdictions he quickly found some flaws in the code enforcement process.

- **a.** There was a significant time delay to the time of the complaint coming in and when the case would be brought to a Judge if there was non-compliance.
- **b.** There was not an abatement fund or the means necessary to abate a property if safety or nuisance was observed.

D. Department Review: Shifting our process from a criminal process and moving into an administrative process allows for our compliant to compliance timelines to be consistent with city codes. It also creates a clearly defined process for setup to an abatement fund and allows for

all the monies collected in liens to be placed into a code enforcement account used for Code Compliance.

E. Alternatives: City Council could direct Staff to continue with the current process for Code Enforcement.

A. Approve the Request: City Council could make a motion to move forward with the effort to further discuss and implement the change from criminal code enforcement to administrative code compliance.

B. Deny the Request: The City Council could deny this request.

C. Continue the Item: The City Council could table the item to a later Council meeting, for action at that time.

Significant Impacts: Safety, maintaining property values in the community, and establishing a compliance approach rather than the enforcement approach.

City Council
Staff Report

Author: Amy Rodriguez
Subject: CDBG Grant Applications
Date: 01-19-21
Type of Item: Motion

ADMINISTRATION

Summary Recommendations: Staff is requesting formal approval from Council to commit to the City contribution match for the 2021 CDBG application for Culinary Water Control Valve Replacement and Pressure Reducing Valve station Improvements.

Description:

A. **Background:** In December 2020, Council approved a five year projected Capital Investment Plan, with the intent that the City would apply for a CDBG grant to help fund the number one ranked project, Culinary Water Control Valve Replacement and Pressure Reducing Valve Station Improvements.
The City will be applying for the CDBG grant for the 2021 funding year. The applications are going through review with our AOG rep. and will be submitted by the deadline during the last week in January. In order to receive the maximum points in ranking, the City will match the grant with 38.5 percent, as has been the practice in previous grant applications. The project is estimated at $406,500. The CDBG portion applied for will be the maximum allowed, $250,000. The City match would be $156,500. The estimate may vary as it gets closer to the final submittal deadline, and Council will be notified.

B. **Project Description:** The project would consist of replacing 53 water control valves throughout the City to properly control the water system. Two Pressure Reducing Valve stations will be replaced with new piping and up-to-date components. The PRV stations will sustain the required water pressure for the residents and provide fire flow demand throughout the system. The system will be able to be controlled efficiently and small sections of the system can be isolated during a pipe repair affecting less residents.

Alternatives:

A. **Approve the Request:** Council may approve the request to commit $156,500 in matching funds and the application will be submitted.

B. Deny the Request: Council may deny the request to commit matching funds.

C. **Consequences of not taking the recommended action:** The City may lose funding if awarded the grant, or may need to change the scope of the project to accommodate any changes to the match if awarded.

City Council
Staff Report

Author: Amy Rodriguez
Subject: Continuation of Paid Sick Leave (FFCRA)
Date: 1/19/21
Type of Item: Discussion/Motion

THE CITY OF Washington Terrace
ADMINISTRATION

Summary Recommendation: Council should discuss options and determine if they would like the Paid Sick Leave benefit for Covid-19 related absences to continue, be modified, or to be discontinued.

Description:

A. **Topic:** In April 2020, The Families First Coronavirus Response Act (FFCRA) was created to help workers care for themselves, and family members due to COVID-19 absences from work. It mandated that all businesses with under 500 employees allow two weeks (80 hours or two weeks equivalent for Part Time employees) of Paid Sick Leave PSL (which would not count against accrued sick leave balances) if an employee was told to quarantine, be tested and wait for results, was sick with COVID-19, or was caring for an immediate family member who had COVID-19. It also mandated that Emergency Family Medical Leave (EFMLA) be given to eligible employees for up to 12 weeks to care for a child who was not able to attend school, or their normal child care due to COVID-19 related reasons. The employer would be required to pay the employee at 2/3 rate of pay.
This mandate expired on December 31, 2020. **Employers are no longer legally required to provide this benefit to employees.**
The newly enacted Consolidated Appropriations Act (CAA) is set to expire on March 31, 2021.

B. **Background:** Council is now in a position to update our leave policy concerning COVID-19. Cities around Utah are creating their own policies on how to deal with the formerly mandated entitlement. There are several options for Council to consider, which include; but are not limited to:
   - Continue the benefits of the FFRCA and provide Paid Sick Leave through March 31st, allowing sick employees to stay home to quarantine, or recover, with paid sick leave that does not affect their accrued leave. All employees (except for seasonal and volunteer) accrue paid sick leave.
   - Modify the amount of hours that an employee can use Paid Sick Leave (ie, from two weeks to one week).
   - Continue Paid Sick Leave for an employee, but not covering caring for another person, or allowing EFMLA to be used for child care.

- Require the employee to cover the first three days of absence with their own leave. Then, cover the remaining time with COVID leave based on how long they are required to quarantine (up to the designated amount). The main reason for this is so that employees who are tested will have to use their own time for the test result "wait time".

- The Council may decide to not continue the FFRCA benefits and have employees use sick leave, comp, or annual leave if they become ill, or need to quarantine. This may run a risk of employees coming into work when ill as to avoid using their own leave.

C. **Analysis:** While the City will continue its safety protocol of mandating that masks be worn at all times when social distancing is not feasible, and requiring that employees leave work if they become ill or exhibit signs of illness, we realize that the pandemic is far from over. Staff recommends to continue the Paid Sick Leave benefit through March 31st to employees who are in quarantine, being tested, or recovering from COVID-19, up to one week's pay (40 hours for full time, 31 or 20 for part time employees, depending on their normal work week schedule). The hours would be calculated from April 1, 2020 through March 31,2021. Staff suggests that the EFMLA benefits allowing 2/3 paid time off to care for children who cannot attend school or child care due to COVID19 reasons, be discontinued.

D. Department Review: HR, City Manager

City of Washington Terrace

Redevelopment Agency Meeting
Tuesday, January 19, 2021
following the Regular City Council Meeting
City Hall Council Chambers
5249 South 400 East, Washington Terrace City

1. ROLL CALL

2. INTRODUCTION OF GUESTS

3. CONSENT ITEMS

Any point of order or issue regarding items on the Agenda or the order of the agenda need to be addressed here prior to the approval of the agenda.

3.1 APPROVAL OF AGENDA
3.2 APPROVAL OF MEETING MINUTES FROM JANUARY 5, 2021 MEETING

4. RECURRING BUSINESS

4.1 DISCUSSION: UPDATE ON COMMUNITY REINVESTMENT AREA (CRA) FOR "SOUTHPOINTE REINVESTMENT AREA"

5. COMMENTS CONSIDERED

6. ADJOURNMENT OF MEETING

CERTIFICATE OF POSTING

I, Amy Rodriguez, The undersigned duly appointed City Recorder of the City of Washington Terrace do hereby certify that the above agenda was posted in three public places within the City limits and sent to the *Standard Examiner* at least 24 hours prior to the meeting.

For Packet Information, please visit our website at www.washingtonterracecity.org

City of Washington Terrace

Minutes of a Redevelopment Meeting
Held on January 5, 2021
Following the Regular City Council Meeting
City Hall, 5249 South 400 East, Washington Terrace City,
County of Weber, State of Utah

CHAIR, BOARD, AND STAFF MEMBERS PRESENT

Chair Allen
Board Member Seal
Board Member Brown
Board Member Weir
Vice- Chair Barker
Board Member West
General Planner Tyler Seaman
City Manager Tom Hanson
City Recorder Amy Rodriguez

Others Present

The meeting was held via zoom and live streamed on the City Facebook page.

1. ROLL CALL

2. INTRODUCTION OF GUESTS

3. CONSENT ITEMS

3.1 APPROVAL OF AGENDA
3.2 APPROVAL OF MEETING MINUTES FROM NOVEMBER 17, 2020 MEETING

Items 3.1 and 3.2 were approved by general consent.

4. RECURRING BUSINESS

4.1 DISCUSSION: UPDATE ON COMMUNITY REINVESTMENT AREA (CRA) FOR "SOUTHPOINTE REINVESTMENT AREA"

Hanson stated that the CRA is on track. He is working with Randy Sant and will be meeting with Weber School District next week. He stated that they will be meeting with Weber Basin Sewer and Weber Basin Water after that. He stated that things are moving along nicely.
Hanson stated that there are two payback options being posed to the partners.
Option1 : 100 percent participation at a 10 year payback rate
Option 2: 50 percent participation at a 20 year payback rate.

4.2 MOTION: APPROVAL TO PURCHASE CARMANAH SOLAR CROSSWALK PACKAGE FOR INTERSECTION OF 5700 SOUTH AND ADAMS AVENUE

Hanson asked for the ratification for the purchase and installation materials for the crossing. He stated that it should be around $10,000 for the crosswalk equipment and another $5000 for installation items and concrete. Chair Allen stated that it has been discussed and approved previously, but now needs to be ratified formally.

Hanson stated that it will not require a road closure, as everything is radio actuated and there are no lines under the road.

Hanson stated that the Public Works crew will be putting in the concrete and painting the crosswalk.

Council Member Barker asked if both sides of the road has adequate street lighting. Mayor Allen stated that he believes that the intersection is fairly well lit.

Motion by Board Member Barker
Seconded by Board Member West
To ratify the purchase of the equipment for the
Adams Avenue Pedestrian Crossing at 5700 South
Approved unanimously (5-0)

5. COMMENTS CONSIDERED

Hanson stated that there is boring work happening across the street from City Hall. He stated that it is not the same company in which we have had previous problems. He stated that they have been given specific instructions by our Public Works team as to what we expect.

6. ADJOURNMENT OF MEETING

Chair Allen adjourned the meeting at 7:30 p.m.

_____ _____

Date Approved **City Recorder**