Regular City Council Meeting

Tuesday, February 3, 2015
City Hall Council Chambers
5249 South 400 East, Washington Terrace City
801-393-8681
www.washingtonterracecity.com

1. ROLL CALL **6:00 p.m.**

2. PLEDGE OF ALLEGIANCE

3. WELCOME

4. CONSENT ITEMS

4.1 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.

4.2 APPROVAL OF JANUARY 20, 2015, MEETING MINUTES

5. SPECIAL ORDER
Special orders will proceed as follows: Chair introduction of item, staff/applicant presentation, questions By Council, Chair opens public hearing, citizen input; Chair closes public hearing, then Council final Discussion.

5.1 PUBLIC HEARING: A PUBLIC HEARING TO HEAR COMMENT ON AMENDING THE FISCAL YEAR 2015 BUDGET

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.

8. NEW BUSINESS

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

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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.

8.1 MOTION/RESOLUTION 15-03: A RESOLUTION AMENDING THE FISCAL YEAR 2015 BUDGET

A Resolution amending the fiscal year ending June 30, 2015, budget.

8.2 MOTION/RESOLUTION 15-04: TO APPROVE ENTERING INTO A LEASE PURCHASE AGREEMENT WITH ZIONS FIRST NATIONAL BANK IN AN AMOUNT NOT TO EXCEED $300,000

The lease purchase agreement will be used to finance a fire truck.

8.3 DISCUSSION/MOTION: APPROVAL OF CITY COUNCIL DONATION TO BONNEVILLE

Bonneville High School PTSA has asked for a donation for the Class of 2015 graduation party.

8.4 MOTION/ORDINANCE 15-01: APPROVAL OF ORDINANCE 15-01 "COMMERCIAL SITE DEVELOPMENT AMENDED" RELATING TO SITE DEVELOPMENT STANDARDS IN THE COMMERCIAL ZONE

To approve an amendment to the Commercial Site Development Standards addressing Building Height Restrictions.

8.5 MOTION: APPROVAL OF FRANCHISE AGREEMENT WITH SYRINGA NETWORKS, LLC.

The agreement would authorize Syringa Networks to provide a telecommunications network for voice, data, and video transmissions within the City.

9. COUNCIL COMMUNICATION WITH STAFF

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

10. ADMINISTRATION REPORTS

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

11. UPCOMING EVENTS

February 16th: President's Day- City Offices Closed
February 17th : City Council Meeting 6:00 p.m.
February 26th: Planning Commission Meeting 6:00 p.m.

12. ADJOURN THE MEETING: MAYOR ALLEN

13. RDA MEETING(Immediately following the regular Council meeting)

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

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City of Washington Terrace

Minutes of a Regular City Council meeting
Held on January 20, 2015
City Hall, 5249 South 400 East, Washington Terrace City,
County of Weber, State of

MAYOR, COUNCIL, AND STAFF MEMBERS PRESENT

Mayor Mark C. Allen
Council Member Mary Johnston
Council Member Blair Brown
Council Member Robert Jensen- Excused
Council Member Scott Monsen
Council Member Val Shupe
City Recorder Amy Rodriguez
Public Works Director Steve Harris
Finance Director Shari' Garrett
Fire Chief Kasey Bush
City Manager Tom Hanson
Lt. Jason Talbot, Weber County Sheriff's Office

OTHERS PRESENT

Del Kraaima,Travis Thyfault, Sydney Tesch, Rachael Barrowes, Ulis Gardiner

1. ROLL CALL **6:00 p.m.**

2. PLEDGE OF ALLEGIANCE

3. WELCOME

4. CONSENT ITEMS

4.1 APPROVAL OF AGENDA
4.2 APPROVAL OF JANUARY 6, 2015, MEETING MINUTES

Items 4.1 and 4.2 were approved by general consent.

5. CITIZEN COMMENTS

Bonneville students Sydney Tesch and Rachael Barrowes appeared on behalf of the Bonneville Graduation Class. They thanked Council for their past donations and requested a donation for a safe graduation party to be held at Fat Cats sponsored by the PTSA. They also gave Council an invitation to attend a Community That Cares town hall meeting "Rising Above it", which will speak on harmful effects of underage drinking. Two key speakers include the police commissioner of South Ogden and the VP of the National Skiing Association.

Resident- Travis Thyfault- 326 E 4800 S-stated that he owns a prairie falcon for hunting and education purposes and has been served a notice that he is not allowed to own a wild animal in the City. He is requesting that Council change the rule to allow falconers to house the falcons at their homes. He stated

that he has state and federal permission to keep the bird. He stated that he is federally regulated and asked that the City allow falconers to live in Washington Terrace. He stated that his falcon is a wild animal, however, falconers rehab the birds and release the birds into the wild. He stated that he also uses his bird for hunting. He stated that his bird is not a pet and is locked up at all times. He asked what steps are needed to have the ordinance changed.

6. COUNCIL/STAFF RESPONSE AND CONSIDERATION TO CITIZEN COMMENTS

Hanson stated that the Council has donated to the school in the past for the graduation party, noting that the class has supported the City with the Easter Egg Hunt in past years. Hanson noted that the donation is in the Council budget. The item will be put on the next Council Meeting agenda. Mayor Allen thanked the representatives for bringing this to Council early.

Thyfault clarified that he is an apprentice falconer. Hanson stated that staff has not researched the issue and does not have any suggestions for Council at this time. Council Member Shupe asked if the state makes any recommendations on housing the animals. Thyfault noted that he has a shed with bars on the front to keep the falcon and others safe. He stated that this is allowed by the federal government. Council Member Shupe asked if he knows of anyone else in the city that has a falcon. Thyfault stated that he does not know of any other Washington Terrace residents who own a falcon. Thyfault stated that he hunts with the falcon in Morgan and Farmington. He stated that his bird needs more height to fly**.** Thyfault stated that federal and state law prohibits him from letting the falcon hunt on its own. Council Member Brown stated that he would be in support of granting an exception and would like to learn more about the practice**.** Council Member Johnston stated that her son is also a falconer and stated that the falcons are very confined. She stated that there in her experience, the only problems are if the falcons are hunting in the city and see something that they want more than the falconer's food. She stated that falcons are tracked and it is a very educational hobby. Council Member Monsen stated that if a practice is licensed by the state, he does not see any issues with allowing it in the City. Mayor Allen directed Hanson to research the ordinance and practice and make recommendation to Council as to how to change the ordinance if they approve.

7. NEW BUSINESS

7.1 PRESENTATION: FINANCE QUARTERLY REPORT

Garrett presented the finance quarterly report to Council, highlighting that there is 7.5 percent increase in sales tax. She stated that the point of sales tax is listed as $100,000 and the City receives half of that amount. Garrett stated that $318,000 in sales tax collections this last quarter. Garrett stated that permits were down, as anticipated. Garrett stated that Business License collections are substantially received and came in very strong. She noted that there have been a few new businesses in the city, as well as delinquent collections. Garrett stated that the state fuel tax is a fixed tax and lower gas prices should not have an impact on the City unless consumption decreases**.** Garrett stated that there has been solid trending as far as the economy and revenues and it is being looked at cautiously but optimistically**.** Garrett stated that Weber Basin Water exceeded their contracted amount and has contributed to the water fund by an extra $21,000. Mayor Allen asked why the franchise fees are decreasing. Garrett stated that it is driven off of franchise providers and noted that consumption is lower this year, primarily in gas.

7.2 PRESENTATION: SHERIFF'S OFFICE MONTHLY

Hanson introduced Lt. Jason Talbot who presented the report to Council. He explained the Standard Response Protocol that is being used in the schools in active shooter situations. He stated that they have been conducting Lock Out drills at the schools, as well as Lock Downs**.** Lt. Talbot stated that

there have been over 80 school shootings in the country this past year. Lt. Talbot stated that he wanted Council to be aware that he will let Hanson know when the drills will be performed. Lt.Talbot stated that the office is working on an "It's Safe To Tell" Program for students to call anonymously to report activity that is happening. He stated that it can be for any activity, but it is found to be used more for suicide preventions. Talbot stated that the drills will fall under Community Policing on the reports. Mayor Allen addressed the Winter Parking ordinance, asking that the Office strictly enforce the ordinance, noting that many residents did not move their cars a few weeks ago during a snow event**.** Council Member Johnston stated that she has always appreciated the officers going into the schools and being present at the schools**.**

7.3 PRESENTATION: FIRE DEPARTMENT QUARTERLY REPORT

Chief Bush presented the report to Council, stating that there have not been any major incidents in the City. He stated that there have been some medical calls as well as Carbon Monoxide detector checks.

7.4 MOTION/RESOLUTION 15-02: A RESOLUTION APPROVING THE EXTENSION OF THE LAW ENFORCEMENT CONTRACT WITH WEBER COUNTY

Hanson stated that he has found that four other cities have already signed letters of intent to move forward. Hanson noted that the contracts are based on population and calls for service.

Motion by Council Member Monsen
Seconded by Council Member Johnston
To approve Resolution 15-02 to
Approve the extension of the law enforcement contract
With Weber County
Approved unanimously (4-0)
Roll Call Vote

8. COUNCIL COMMUNICATION WITH STAFF

***** Council Member Brown stated that his wife received a parking ticket in another city for parking close to a curb and asked if the City had a similar ordinance. Lt. Talbot responded that the law is a state law, but the Officers stated that they have never written a ticket for that law**.**

9. ADMINISTRATION REPORTS

Hanson noted that the next meeting will involve an RDA Meeting
Hanson stated that staff is working on updating the website.
Hanson noted that Harris and Remington have been researching Public Works shops and will update Council on their findings.

10. UPCOMING EVENTS

January 29th: Planning Commission Meeting 6:00 p.m.
February 3rd: City Council Meeting 6;00 p.m.

11. MOTION: ADJOURN INTO CLOSED SESSION

Council Adjourned to Closed Session to discuss**:**

- Discussion regarding deployment of security personnel, devices, or systems
.

Motion by Council Member Johnston
Seconded by Council Member Monsen
To adjourn into closed session
Approved unanimously (4-0)
Time: 7:02 p.m.
Roll Call Vote

12. ADJOURN THE MEETING: MAYOR ALLEN

Mayor Allen adjourned the meeting at 7:19 p.m.

_____ _____

Date Approved City Recorder

City of Washington Terrace
County of Weber, State of Utah

RESOLUTION NO. 15-03

A RESOLUTION AMENDING THE BUDGET FOR FISCAL YEAR 2014-2015

WHEREAS, it is the desire of the City Council of the City of Washington Terrace to continue to function in an efficient and cost efficient manner in providing the citizens with a safe and healthy environment; and

WHEREAS, the Washington Terrace City Council deems it necessary to amend the Fiscal Year 2014- 2015 Budget in the following funds: General Fund, Water Enterprise Fund, and Capital Projects Fund. See attached budget worksheet for details.

NOW THEREFORE BE IT RESOLVED by the City Council of Washington Terrace City to amend the Fiscal Year 2014-2015 budget as attached and described hereto.

APPROVED this 3rd day of February 2015.

City of Washington Terrace

_____

Mark C. Allen, Mayor

ATTEST:

(SEAL)

_____

Amy Rodriguez, City Recorder

Roll Call Vote:
Council Member Brown
Council Member Jensen
Council Member Johnston
Council Member Monsen
Council Member Shupe

Report Criteria:
Account.Acct No = 103210, 106426, 503370, 507108, 503930, 553810, 556002
Account Detail

Acct No	Account Description	07/14-12/14 Cur YTD Budget	2014-2015 Budget Adj (+/-)	2014-15 Adjusted Budget	Budget Adj. Description
GENERAL FUND					
Licenses & Permits					
10-32-10	Business Licenses	100,000	15,500	115,500	Increase budget projections to reflect actual collections.
	Licenses & Permits Totals:	100,000	15,500	115,500	
Parks Expenditures					
10-64-26	Building and Grounds O&M	25,000	15,500	40,500	Increase park maintenance budget projections to include road/parking lot maintanence at Rohmer Park.
	Parks Expenditures Totals:	25,000	15,500	40,500	
	GENERAL FUND Revenue Totals:	100,000	231,000	115,500	
	GENERAL FUND Expenditure Totals:	25,000	81,000	40,500	
	GENERAL FUND Totals:	75,000	0	75,000	

Acct No	Account Description	07/14-12/14 Cur YTD Budget	2014-2015 Budget Adj (+/-)	2014-15 Adjusted Budget	Budget Adj. Description
WATER ENTERPRISE FUND					
NONCAPITAL FINANCING REVENUE					
50-33-70	Contract Services	30,000	21,326	51,326	Increase budget projections to reflect actual collections from the Weber Basin Water well lease agreement.
	NONCAPITAL FINANCING REVENUE Totals:	30,000	21,326	51,326	
CAPITAL REVENUES					
50-39-30	Use of Beginning Fund Balance	992,824	167,742	1,160,566	Increase fund balance appropriation (unexpended funds from the prior year) for the completion of project CW8 or account 50-71-08.
	CAPITAL REVENUES Totals:	992,824	167,742	1,160,566	
CAPITAL PROJECTS					
50-71-08	CW8 Adams Ave Tank #3	0	189,068	189,068	Roll over unexpended prior year project funds.
	CAPITAL PROJECTS Totals:	0	189,068	189,068	
	WATER ENTERPRISE FUND Revenue Totals:	1,022,824	2,423,784	1,211,892	
	WATER ENTERPRISE FUND Expenditure Totals:	0	378,136	189,068	
	WATER ENTERPRISE FUND Totals:	1,022,824	0	1,022,824	

Acct No	Account Description	07/14-12/14 Cur YTD Budget	2014-2015 Budget Adj (+/-)	2014-15 Adjusted Budget	Budget Adj. Description
Capital Projects Fund					
Revenue					
55-38-10	Other Financing Sources	0	300,000	300,000	Authorized the use of financing for the purpose of acquiring a fire truck.
	Revenue Totals:	0	300,000	300,000	
Non-Road Fleet					
55-60-02	Equipment Non-Streets	0	300,000	300,000	Authorizes the puchase of a fire truck up to $300,000.
	Non-Road Fleet Totals:	0	300,000	300,000	
	Capital Projects Fund Revenue Totals:	0	600,000	300,000	
	Capital Projects Fund Expenditure Totals:	0	600,000	300,000	
	Capital Projects Fund Totals:	0	0	0	
	Grand Totals:	1,097,824	0	1,097,824	

Report Criteria:
Account.Acct No = 103210, 106426, 503370, 507108, 503930, 553810, 556002
Account Detail

City Council
Staff Report

Author: Kasey Bush
Subject: Ladder Truck Purchase
Date: February 3, 2015
Type of Item: Motion to approve

THE CITY OF Washington Terrace

FIRE DEPARTMENT

Summary: Following our discussions at the Council Retreat we have found a 2002 Pierce 100' Aerial Platform Ladder Truck that we feel is a very good deal. The truck is located in West Valley City and is in amazing condition. It was our understanding that we should be looking for this sort of deal.

Description:

A. Topic: Purchase of 2002 Peirce Aerial Fire Apparatus. The cost of the truck will be $220,000 plus decals and preparations for the truck totaling approximately $228,000. Staff has also evaluated several other trucks that may fall within the $300.000 budget limit.

B. Background/ History: In 2014 we were directed by City Council to look for used aerial apparatus for possible purchase. In late November I recived an email containing a 2002 Peirce aerial fire apparatus and we brought it to you attention at our budget retreat in December. As directed in our conversation we looked further into this Apparatus not to exceed $300.000.

C. Analysis:

1. We have looked at serval apparatus of comparable year, size, mileage and price. After evaluating several trucks over the past few years this apparatus surpassed all we have seen to date in value and general maintenance.

2. After measuring our building we found the length of the vehicle bay to be at 48'4" the apparatus to be purchased is 46'4" in length leaving roughly 2' to spare while stored in the bay. Other apparatus that we have researched range from 48' to 51' in length limiting our options.

3. We have researched finance options and found Zion's bank to have the best overall offer for processing the loan and interest rate of 2% with no initiation fees or processing fees. Currently we would be able to fund this loan with in our ongoing budget by using money saved from a reduction in interest payments of the Sales Tax Revenue bond, the Fire Department CIP and a small amount from the general CIP fund.

4. On January 21, 2015 Captain Peterson and I traveled to West Valley City to look at the 2002 Piece 100' Aerial Platform. During our time with the

apparatus we drove the apparatus and were able to inspect and operate the aerial device. We found the Apparatus to be well maintained and in excellent working condition.

Recommendation:
Staff would recommend authorization to purchasing a ladder truck with a limit of $300,000 if this particular truck is not available at the time of approval. If this particular truck remains available staff is anticipating a purchase price of approximately $228,000.

Washington Terrace City, UT
$300,000 Equipment Lease Purchase (Fire Truck)
18-Feb-15

	2016	2017	2018	2019	2020	Totals
Debt Service Schedule						
Principal	57,473	58,710	59,973	61,263	62,581	300,000
Interest	6,114	4,878	3,615	2,324	1,006	17,937
	$ 63,587	**$ 63,587**	**$ 63,587**	**$ 63,587**	**$ 63,587**	**$ 317,937**
Sources of City Funds						
Fire CIP Fund balance	53,104					53,104
General Fund or CIP	10,483					10,483
Sales Tax Ser13 savings		63,587	63,587	63,587	63,587	254,349
	$ 63,587	**$ 63,587**	**$ 63,587**	**$ 63,587**	**$ 63,587**	**$ 317,936**

CITY OF WASHINGTON TERRACE
RESOLUTION 15-04

A RESOLUTION OF THE CITY OF WASHINGTON TERRACE, UTAH, APPROVING THE FORM OF THE EQUIPMENT LEASE AGREEMENT WITH ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UT

The resolution was then signed by the _____in open meeting and recorded by the City Recorder. The resolution is as follows:

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

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

WHEREAS, the Governing Body has reviewed the form of the Equipment Lease Agreement and has found the terms and conditions thereof acceptable to The City of Washington Terrace, Utah; and

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

BE IT RESOLVED by the Governing Body of the City of Washington Terrace, Utah as follows:

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

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

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

ADOPTED AND APPROVED by the City Council this ____ day of _____, 2015.

_____
MARK C. ALLEN, Mayor,
City of Washington Terrace

ATTEST:

_____

AMY RODRIGUEZ, City Recorder

ROLL CALL VOTE TALLY:
Council Member Blair Brown-
Council Member Robert Jensen
Council Member Mary Johnston-
Council Member Scott Monsen-
Council Member Val Shupe-

LEASE PURCHASE AGREEMENT

This equipment lease (the "Lease") dated as of February 18, 2015**,** by and between Zions First National Bank, One South Main Street, Salt Lake City, Utah 84111 ("Lessor"), and The City of Washington Terrace, Utah ("Lessee") a body corporate and politic existing under the laws of the State of Utah. This Lease includes all Exhibits hereto, which are hereby specifically incorporated herein by reference and made a part hereof.

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

ARTICLE I

Lease Of Equipment

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

(i) Evidence satisfactory to Lessor as to due compliance with the insurance provisions of Section 10.2 hereof;

(ii) Invoice of the Vendor of such item of Equipment; and

(iii) Delivery And Acceptance Certificate in the form attached hereto as Exhibit "E" executed by Lessee acknowledging delivery to and acceptance by Lessee of such item of Equipment.

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

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

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

ARTICLE II

Definitions

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

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

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

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

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

"*Lessee*" shall mean The City of Washington Terrace, Utah.

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

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

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

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

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

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

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

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

"*Vendor*" shall mean the manufacturer of the Equipment and the manufacturer's agent or dealer from whom Lessor purchased or is purchasing the Equipment.

ARTICLE III

Lease Term

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

_____ the date this Lease is executed.

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

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

___X___ February 18, 2015.

Such date will be referred to as the Commencement Date.

Section 3.2 *Duration of Lease: Nonappropriation.* This Lease will continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the "Original Term"). Thereafter, this Lease will be automatically extended for five (5) successive additional periods of one year coextensive with Lessee's fiscal year (each, a "Renewal Term"), unless this Lease is terminated as hereinafter provided.

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

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

(a) the expiration of the Original Term or any Renewal Term of this Lease and the failure of Lessee to appropriate funds to continue the leasing of the Equipment for the ensuing Renewal Term;

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

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

(d) the expiration of the Term of this Lease.

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

(a) By delivering the Equipment to Lessor at Lessee's principal place of business; or

(b) By loading the Equipment at Lessee's cost and expense, on board such carrier as Lessor shall specify and shipping the same, freight prepaid, to the destination designated by Lessor.

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

ARTICLE IV

Rental Payments

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

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

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

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

ARTICLE V

Purchase Of Equipment

Section 5.1 *Option Purchase Price*. On any Business Day on or after February 18, 2015, Lessee may purchase the Equipment from Lessor at a price equal to the principal amount outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such date is a Rental Payment Date, in which case, the principal amount outstanding as of such date), plus accrued interest from such Rental Payment Date to such date of calculation at the rate of interest per annum in effect for the period during which the calculation is made, as set forth in Exhibit "C."

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

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

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

ARTICLE VI

Representations, Covenants, And Warranties Of Lessee And Lessor

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

(a) Lessee is a body corporate and politic, duly organized and existing under the Constitution and laws of the State of Utah.

(b) Lessee is authorized by the Constitution and laws of the State of Utah to enter into this Lease and to effect all of Lessee's obligations hereunder. The governing body of Lessee has executed the resolution attached as Exhibit "B" to this Lease which specifically authorizes Lessee to execute and deliver this Lease.

(c) All procedures and requirements, including any legal bidding requirements, have been met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease and all rent and other payment obligations will be paid out of funds legally available for such purpose.

(d) The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of this Lease was authorized, as evidenced by the certificate of open meeting law attached to the Resolution of Governing Body which is attached hereto as Exhibit "B."

(e) The letter attached to this Lease as Exhibit "D" is a true opinion of Lessee's counsel.

(f) Lessee will use and service the Equipment in accordance with Vendor's instructions and in such a manner as to preserve all warranties and guarantees with respect to the Equipment.

(g) During the term of this Lease, the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

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

(i) The Equipment shall be used solely by Lessee and shall not be subject to any direct or indirect private business use.

(j) Lessee covenants and certifies to and for the benefit of Lessor throughout the term of this Lease that:

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

(2) Lessee will at all times comply with the rebate requirements of Section 148(f), to the extent applicable;

(3) in order to preserve the status of this Lease as other than a "private activity bond" as described in Sections 103(b)(1) and 141 of the Code, as long as this Lease is outstanding: (I) none of the proceeds of this Lease or the Equipment financed therewith shall be used for any "private business use" as that term is used in Section 141(b) of the Code and defined in Section 141(b)(6) of the Code; and (II) no part of this Lease shall be secured in whole or in part, directly or indirectly, by any interest in any equipment used in any such "private business use" or by payments in respect of such equipment, and shall not be derived from payments in respect of such equipment;

(4) it will not take any action or omit to take any action such that would cause interest on this Lease to become ineligible for the exclusion from gross income of Lessor as provided in Section 103 of the Code.

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

(l) This Lease is being executed for the purpose of acquiring the Equipment and is not being issued to refund or refinance any outstanding obligation of Lessee, nor to reimburse Lessee for any expenditures made prior to sixty (60) days before the date the Governing Body (as defined in the Resolution of the Governing Body attached hereto) of the Lessee adopted the Resolution of the Governing Body attached hereto.

(m) In compliance with Section 149 (e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038–G or 8038–GC, as appropriate.

(n) Lessee has selected the Equipment and desires to lease the Equipment for use in the performance of its governmental or proprietary functions. Lessor, at Lessee's request, has ordered or shall order the Equipment and shall lease the same to Lessee as herein provided, Lessor's only role being the facilitation of the financing of the Equipment for the Lessee. Lessor will not be liable for specific performance or for damages if the supplier or manufacturer of the Equipment for any reason fails to fill, or delays in filling, the order for the Equipment. Lessee acknowledges that Lessor is not a manufacturer of or a dealer in the Equipment (or similar equipment) and does not inspect the Equipment prior to delivery to Lessee. Lessee agrees to accept the Equipment and authorizes Lessor to add the serial number of the Equipment to Exhibit "A." Lessor shall have no obligation to install, erect, test, inspect, or service the Equipment. *For purpose of this Lease and of any purchase of the Equipment*

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

(o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.

(p) There are no legal or governmental proceedings or litigation pending or, to the best knowledge of Lessee, threatened or contemplated (or any basis therefore) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of this Lease

(q) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations for which its general credit or revenues are pledged.

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

(a) During the term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor, except upon default by Lessee as set forth in this Lease.

(b) Lessor has not caused to be created any lien or encumbrance on the Equipment except the security interest provided in Section 1.3 of this Lease.

ARTICLE VII

Events Of Default And Remedies

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

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder at the time specified herein; and

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

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

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

(a) With or without terminating this Lease, retake possession of the Equipment and sell, lease or sublease the Equipment for the account of Lessee, holding Lessee liable for the difference between (i) the rents and other amounts payable by Lessee hereunder to the end of the then current Original Term or Renewal Term, as appropriate, and (ii) the purchase price, rent or other amounts paid by a purchaser, lessee or sublessee of the Equipment pursuant to such sale, lease or sublease; and

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

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

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

ARTICLE VIII

Payment Of Taxes, Fees, Permits, And Utility Services

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

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

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

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

ARTICLE IX

Use, Repairs, Alterations, And Liens

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

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

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

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

ARTICLE X

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

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

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

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

regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Equipment and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE XI

Miscellaneous

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

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

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

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

(a) if to Lessee, at The City of Washington Terrace, Utah, 5249 S. South Pointe Drive, Washington Terrace, UT 84405. Attention: Shari Garrett.

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

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

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

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

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

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

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

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

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

Section 11.13 *Offset*. Rental Payments or other sums payable by Lessee pursuant to this Lease shall not be subject to set–off, deduction, counterclaim or abatement and Lessee shall not be entitled to any credit against such Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment or any restriction or interference with Lessee's use of the Equipment.

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

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

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

Section 11.16 *Set–Up Fee*. As additional consideration for the rights herein granted to Lessee, Lessee agrees to pay Lessor a commencement or set–up fee of Zero ($ .00) on the date this Lease is executed.

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

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

EXHIBITS

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

Executed this _____ day of _____, 20_____.

Lessor:

Zions First National Bank

By _____
Johnathan Ward, Vice President

Lessee:

City of Washington Terrace, Utah

By _____
Mark C. Allen, Mayor

EXHIBIT A

Description Of Equipment

Quantity	Description/Serial Numbers
1	2002 Pierce Dash Platform Fire Truck

_____

Initials of Lessee Signatory

EXHIBIT B

Resolution Of Governing Body

Extract Of Minutes

February 3, 2015

City of Washington Terrace, Utah

The City Council (the "Governing Body") of The City of Washington Terrace, Utah met in regular session at its regular meeting place in City of Washington Terrace, Utah on February 3, 2015, with the following members of the Governing Body present:

Mark C. Allen ..... Mayor

Mary Johnston..... Council Member
Scott Monsen ..... Council Member
Blair Brown..... Council Member
Robert Jensen..... Council Member
Val Shupe..... Council Member

Also present:

Amy Rodriguez.....City Recorder

Absent:

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

YEA:

NAY:

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

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

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

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

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

Be it resolved by the Governing Body of The City of Washington Terrace, Utah as follows:

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

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

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

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

By _____

Mark C. Allen, Mayor

STATE OF UTAH)
:ss.
COUNTY OF WEBER)

I, Amy Rodriguez hereby certify that I am the duly qualified and acting City Recorder of The City of Washington Terrace, Utah.

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the City Council including a Resolution adopted at said meeting held on February 3, 2015, as said minutes and Resolution are officially of record in my possession, and that a copy of said Resolution was deposited in my office on _____ _____, 20_____.

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

By _____
Amy Rodriguez, City Recorder

[S E A L] ↑

STATE OF UTAH)
:ss.
COUNTY OF WEBER)

I, Amy Rodriguez, the duly qualified City Recorder of The City of Washington Terrace, Utah do hereby certify:

(a) that in accordance with the requirements of Section 52-4-202 (2), Utah Code Annotated (1953), as amended, public notice of the 20____ Annual Meeting Schedule of the City Council (the "Governing Body") of The City of Washington Terrace, Utah was given, specifying the date, time and place of the regular meetings of the Governing Body scheduled to be held during the year, by causing a Notice of Annual Meeting Schedule for the Governing Body to be posted on _____ _____, 20____, at the principal office of the Governing Body at The City of Washington Terrace, Utah; said Notice of Annual Meeting Schedule having continuously remained so posted and available for public inspection during regular office hours of the undersigned until the date hereof; and causing a copy of the Notice of Annual Meeting Schedule to be provided on _____ _____, 20____ to at least one newspaper of general circulation within the geographic jurisdiction of The City of Washington Terrace, Utah, or to a local media correspondent;

(b) that in accordance with the requirements of Section 52-4-202 (1), Utah Code Annotated (1953), as amended, public notice of the regular meeting of the Governing Body on February 3, 2015, was given by specifying in a Notice of Regular Meeting the agenda, date, time and place of the meeting and by causing the Notice of Regular meeting to be posted at the principal office of the Governing Body on the _____ day of _____, 20_____ a date not less than 24 hours prior to the date and time of the Governing Body's regular meeting, and to be provided on the _____ day of _____, 20_____, to at least one newspaper of general circulation within the geographic jurisdiction of The City of Washington Terrace, Utah, or to a local media correspondent.

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

By _____
Amy Rodriguez, City Recorder

[S E A L] ↑

EXHIBIT C

Payment Schedule

Lessee: City of Washington Terrace, Utah

Date of Lease: February 18, 2015

Amount Due: $300,000.00

1. Interest has been computed at the rate of 2.14% per annum. Interest shall accrue from the Commencement Date.

2. Rental payments shall be due semi-annually commencing August 18, 2015. The payments set forth on the attached debt service schedule shall be due on the 18th day of February and August up to and including February 18, 2020.

3. The Option Purchase Price, on any given date of calculation, is equal to the Principal Outstanding on the Rental Payment Date immediately preceding the date of calculation (unless such calculation date is a Rental Payment Date, in which case, the Principal Outstanding as of such date) plus accrued interest from such Rental Payment Date at the rate set forth in paragraph number 1 above.

[Please see the attached Debt Service Schedule]

The remainder of this page has been intentionally left blank

Washington Terrace, Utah

$300,000 Equipment Lease Purchase

Dated February 18, 2015

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
02/18/2015	-	-	-	-
08/18/2015	28,583.68	2.140%	3,210.00	31,793.68
02/18/2016	28,889.53	2.140%	2,904.15	31,793.68
08/18/2016	29,198.64	2.140%	2,595.04	31,793.68
02/18/2017	29,511.07	2.140%	2,282.61	31,793.68
08/18/2017	29,826.84	2.140%	1,966.84	31,793.68
02/18/2018	30,145.98	2.140%	1,647.70	31,793.68
08/18/2018	30,468.55	2.140%	1,325.13	31,793.68
02/18/2019	30,794.56	2.140%	999.12	31,793.68
08/18/2019	31,124.06	2.140%	669.62	31,793.68
02/18/2020	31,457.09	2.140%	336.59	31,793.68
Total	**$300,000.00**	**-**	**$17,936.80**	**$317,936.80**

Yield Statistics

Bond Year Dollars	$838.17
Average Life	2.794 Years
Average Coupon	2.1399996%
Net Interest Cost (NIC)	2.1399996%
True Interest Cost (TIC)	2.1399996%
Bond Yield for Arbitrage Purposes	2.1399996%
All Inclusive Cost (AIC)	2.1399996%

IRS Form 8038

Net Interest Cost	2.1399996%
Weighted Average Maturity	2.794 Years

5y Lease 2/18/15 SEMI | SINGLE PURPOSE | 1/28/2015 | 3:11 PM

ZIONS BANK ZBPF PUBLIC FINANCE

Initials of Lessee Signatory

EXHIBIT D

Opinion Of Lessee's Counsel

(Use Attorney's Letterhead)

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

Gentlemen:

As counsel for The City of Washington Terrace, Utah ("Lessee"), I have examined duly executed originals of Equipment Lease Agreement (the "Lease") dated February 18, 2015, between the Lessee and Zions First National Bank, Salt Lake City, Utah ("Lessor"), and the proceedings taken by Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Utah.

2. The Lease has been duly authorized, executed, and delivered by Lessee.

3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which Lessee's execution of the Lease was authorized.

4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditors' rights generally.

5. The Lease is in accordance with and does not violate the usury statutes of the State of Utah, if any.

6. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.

7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

_____

Attorney for Lessee

EXHIBIT E

Delivery And Acceptance Certificate

To: Zions First National Bank

Reference is made to the Equipment Lease Agreement between the undersigned ("Lessee"), and Zions First National Bank ("Lessor"), dated February 18, 2015, ("the Lease") and to the Equipment as such term is defined therein. In connection therewith we are pleased to confirm to you the following:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and that said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.

2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.

3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.

4. The serial number for each item of Equipment which is set forth on Exhibit "A" to the Lease is correct.

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

Lessee:

City of Washington Terrace, Utah

_____
Witness

By: _____
(Authorized Signature)

_____
(Print name and title)

Date: _____

City Council
Staff Report

Building & Planning

Author:	**Planning Staff**
Subject:	**Amending 17.28.020 Site Development and Standards, section (4.b) Building height and adding section c.**
Date:	**Feb 3, 2015**
Type of Item:	**Action /Public Hearing & Motion to Recommend**

Summary Recommendations:

By motion, City Council may vote to amend the City of Washington Terrace's municipal code section 17.28.020.4.B Site Development and Standard, Building height, To allow Maximum height of 45 feet and add C. to allow a Hospital height to be set and established by site plan and/or a conditional use approval.

Description:

A. Topic:
Discuss 17.28.020.4. b & c to amend this section titled "Building Height". This will change the building height maximum distance to allow for a higher height limit then currently in the ordinance. Section c. is to be added to allow the hospital to build upward as part of future renovation if desired which will be approved by application for a site plan or Conditional use.

B. Background:
The Planning Commission will hold a required public hearing on the amendment on January 29, 2015 and will give recommendation to Council.

City Staff feels that the height restrictions of 35 feet for development have limited economic growth in the city. Thirty five (35) feet has a negative impact because some builders will then try and squeeze a 3 story building into a 2 ½ story building.

The Hospital has previously given the impression of being interested in expanding their operation by expanding upward and adding more floors. The Hospital felt that to be competitive in the hospital market they may have a need to build upward.

The following is the code section to be changed. The main emphases is 4. b. and adding c. in bold and highlighted letters:

17.28.020 Site Development And Standards

1. Minimum lot area - None.
2. Minimum lot width - None.
3. Minimum yard setbacks:
    a. Front - 20 feet on streets of less than 80 feet in width, 50 feet on streets and highways of 80 feet or more in width.

b. Side - None, except 10 feet adjacent to a residential zone.

c. Side - facing a street with a corner lot - 20 feet x 20 feet.

d. Rear - None, except 10 feet where building rears on a residential zone.

4. Building height:

a. Minimum - one (1) story.

b. Maximum – Forty Five (45) ~~Thirty-five (35)~~ feet, measured from back of curb.

c. Hospital height limits shall be determined in accordance with this section and as part of the site plan and/or conditional use approval process so long as such height limits do not exceed double the maximum height allowed by this section.

Repealed & Reenacted by Ord. 11-01 on 2/1/2011

C. Analysis:
In order to adequately provide direction to commercial development, the City's height ordinance has the need to be modified and changed to provide a clear understanding and recommendation to Commercial businesses seeking to locate within the city, which may have an economic impact upon the City of Washington Terrace.

D. Department Review: Has been reviewed by the City Staff and gives a favorable recommendation.

Alternatives:
A. Approve the Request:
The City Council could approve the amendment to the height regulations in the Commercial zone.
B. Deny the Request:
The City Council can deny the amendment
C. Continue the Item:
The City Council could table the item to a later meeting, for action at that time.

CITY OF WASHINGTON TERRACE
ORDINANCE NO. 2015-01

COMMERCIAL SITE DEVELOPMENT AMENDED

AN ORDINANCE OF THE CITY OF WASHINGTON TERRACE, UTAH, AMENDING SECTION 17.28.020 RELATING TO SITE DEVELOPMENT STANDARDS IN THE COMMERCIAL ZONE; SEVERABILITY; PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Washington Terrace, Utah, (hereafter referred to as "City") is a municipal corporation, duly organized and existing under the laws of the State of Utah;

WHEREAS, *Utah Code Annotated* §§ 10-8-84 and 10-8-60, 1953, as amended, allows the City to exercise certain police powers and nuisance abatement powers, including but not limited to providing for safety and preservation of health, promotion of prosperity, improve community well-being, peace and good order for the inhabitants of the City;

WHEREAS, Title 10, Chapter 9a of the *Utah Code Annotated* authorizes the City to regulate land use and development;

WHEREAS, the City desires to amend its site development standards in the Commercial Zone;

WHEREAS, the Planning Commission held its public hearing on _____, 2015, on this Ordinance and gave a _____ recommendation to the Council;

WHEREAS, the City Council received the recommendation of the Planning Commission at its regular meeting on _____, 2015, and now desires to act on this Ordinance;

NOW, THEREFORE, be it ordained by the City Council of the City of Washington Terrace, Utah, as follows:

Section 1: **Amendment.** Section 17.28.020 of the *Washington Terrace Municipal Code* is hereby amended to read as follows:

Chapter 17.28
COMMERCIAL ZONES

17.28.020. Site Development and Standards.

1. Minimum lot area - None.
2. Minimum lot width - None.
3. Minimum yard setbacks:
    a. Front - 20 feet on streets of less than 80 feet in width, 50 feet on streets and highways of 80 feet or more in width.
    b. Side - None, except 10 feet adjacent to a residential zone.
    c. Side - facing a street with a corner lot - 20 feet x 20 feet.
    d. Rear - None, except 10 feet where building rears on a residential zone.
4. Building height:
    a. Minimum - one (1) story.
    b. Maximum – ~~Thirty-five (35)~~ Forty five (45) feet, measured from back of curb.
    c. Hospital height limits shall be determined in accordance with this section and as part of the site plan and/or conditional use approval process so long as such height limits do not exceed double the maximum height allowed by this section.

Section 2: **Severability**. If a Court of competent jurisdiction determines that any part of this Ordinance is unconstitutional or invalid, then such portion of this Ordinance, or specific application of this Ordinance, shall be severed from the remainder, which remainder shall continue in full force and effect.

Section 3: **Effective date.** This ordinance take effect immediately after approval and posting.

PASSED AND APPROVED by the City Council this ___ day of _____, 20___.

_____
MARK C. ALLEN, Mayor,
City of Washington Terrace

ATTEST:

_____
AMY RODRIGUEZ, City Recorder

RECORDED this ____ day of _____, 2015.
PUBLISHED OR POSTED this ____ day of _____, 2015.

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provision of U.C.A. §10-3-713, 1953, as amended, I, the municipal recorder of the City of Washington Terrace, hereby certify that foregoing Ordinance was duly passed, and published on _____ or was posted at: 1)_____ 2)_____ and 3)_____ on the above referenced dates.

_____

AMY RODRIGUEZ, City Recorder

City Council
Staff Report

Author: **Tom Hanson**
Subject: **Franchise Agreement**
Date: **February 3, 2015**
Type of Item: **Motion to Approve**

ADMINISTRATION

Summary: Syringa Networks LLC approached the City a few months ago in order to enter into a franchise agreement that would set up Syringa as a utility provider within Washington Terrace. The franchise agreement dictates how Syringa will operate within the City and will dictate their obligation to comply with city regulations regarding a utility provider. The franchise agreement is also the formal arrangement that allows for the payment of franchise taxes to the City.

Description:

A. **Topic:** Syringa Franchise Agreement

B. **Background:** Syringa Networks LLC has been expanding their business interests from South Eastern Idaho into Northern Utah and has been working with several other Weber County communities in an effort to provide service throughout the county. In order to operate within Washington Terrace City it is requisite that Syringa obtains an approved franchise agreement. The franchise agreement dictates the manner in which Syringa Networks will interact with the City in regards to insurance, infrastructure, procedures and obligations and state managed franchise taxes.

C. **Analysis:** Washington Terrace City has reviewed, edited and made modifications to the boilerplate franchise agreement between Syringa and Washington Terrace City in an effort to protect the City and its stakeholders. Our legal staff has required Syringa to adhere to best practices as it relates to utility infrastructure and the impact of infrastructure installation, protection of existing infrastructure, and the obligation to move their infrastructure if it impedes a city project. The franchise agreement also triggers the obligation of Syringa to pay appropriate franchise taxes as described in state law.

D. Department Review: Following careful staff review and the subsequent alteration of the contract between Syringa and the City, it is our recommendation that the City proceed with the franchise agreement. Allowing Syringa to conduct business within the City will provide additional infrastructure for high speed internet that can act as a backup to our current carriers.

FRANCHISE AGREEMENT
CITY OF WASHINGTON TERRACE, UTAH, – SYRINGA NETWORKS, LLC

THIS FRANCHISE AGREEMENT (hereinafter "Agreement") is entered into by and between the City of Washington Terrace, Utah (hereinafter "CITY"), a municipal corporation and political subdivision of the State of Utah, with principal offices at 5249 South 400 East, Washington Terrace, Utah, 84405, and Syringa Networks, LLC, an Idaho limited liability company (hereinafter "PROVIDER") with its principal offices at 12301 W. Explorer Drive, Boise, Idaho 83713.

W I T N E S S E T H:

WHEREAS, the PROVIDER desires to provide voice, data or video transmission services within the CITY and in connection therewith to establish a telecommunications network in, under, along, over and across present and future rights-of-way of the CITY; and

WHEREAS, the CITY has enacted Title 15, Chapter 12 of the Washington Terrace Municipal Code entitled "Franchise Agreements" (hereinafter the "Telecommunication Rights-of-Way Ordinance") which governs the application and review process for Telecommunication Franchises in the CITY; and

WHEREAS, the CITY, in exercise of its management of public Rights-of-Way, believes that it is in the best interest of the public to provide the PROVIDER a nonexclusive franchise to operate a telecommunications network in the CITY;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties contained herein, and for other good and valuable consideration, the CITY and the PROVIDER agree as follows:

ARTICLE 1. FRANCHISE AGREEMENT AND ORDINANCE.

1.1 Agreement. Upon execution by the parties, this Agreement shall be deemed to constitute a contract by and between CITY and PROVIDER.

1.2 Ordinance. The CITY has adopted the Telecommunications Rights-of-Way Ordinance which is attached to this Agreement as Exhibit "A" and incorporated herein by reference. The PROVIDER acknowledges that it has had an opportunity to read and become familiar with the Telecommunications Rights-of-Way Ordinance. The parties agree that the provisions and requirements of the Telecommunications Rights-of-Way Ordinance are material terms of this Agreement, and that each party hereby agrees to be contractually bound to comply with the terms of the Telecommunications Rights-of-Way Ordinance. The definitions in the Telecommunications Rights-of-Way Ordinance shall apply herein unless a different meaning is indicated. Nothing in this Section shall be deemed to require the PROVIDER to comply with any provision of the Telecommunications Rights-of-Way Ordinance which is determined to be unlawful or beyond the CITY's authority.

1.3 Ordinance Amendments. The CITY reserves the right to amend the Telecommunications Rights-of-Way Ordinance at any time. If there is any inconsistency between the PROVIDER's rights and obligations under the Telecommunications Rights-of-Way Ordinance as amended and this Agreement, the provisions of this Agreement shall govern during its term. .

1.4 Franchise Description. The Telecommunications Franchise provided hereby shall confer upon the PROVIDER the nonexclusive right, privilege, and franchise to construct and maintain a telecommunications network in, under, above and across the present and future public Rights-of-Way in the City. The franchise does not grant to the PROVIDER the right, privilege or authority to engage in community antenna (or cable) television business; although, nothing contained herein shall preclude the PROVIDER from: (1) permitting those with a cable franchise who are lawfully engaged in such business to utilize the PROVIDER's System within the CITY for such purposes; or (2) from providing such service in the future if an appropriate franchise is obtained and all other legal requirements have been satisfied.

1.5 Licenses. The PROVIDER acknowledges that it has obtained the necessary approvals, licenses or permits required by federal and state law to provide telecommunication services consistent with the provisions of this Agreement and with the Telecommunications Rights-of-Way Ordinance.

1.6 Relationship. Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the parties and neither party is authorized to, nor shall either party act toward third persons or the public in any manner that would indicate any such relationship with each other.

ARTICLE 2. FRANCHISE FEE.

2.1 Franchise Fee. For the Franchise granted herein, the PROVIDER shall pay to the CITY a tax in accordance with the Municipal Telecommunication License Tax Act (Utah Code Ann. 10-1-401 to10-1-410), less any business license fee or business license tax enacted by the CITY. PROVIDER shall not be required to provide the reports or payments described in CITY ordinance 15.12.050(4). All payments shall be made to the Utah State Tax Commission, and sent as follows:

Utah State Tax Commission
210 North 1950 West
Salt Lake City, Utah 84134

2.2 Equal Treatment. CITY agrees that if any service forming part of the base for calculating the franchise fee under this Agreement is, or becomes, subject to competition from a third party, the CITY will either impose and collect from such third party a fee or tax on Gross Revenues from such competing service in the same percentage specified herein, plus the percentage specified as a utility revenue tax or license fee in the then current ordinances of the CITY, or waive collection of the fees provided for herein that are subject to such competition.

ARTICLE 3. TERM AND RENEWAL.

3.1 Term and Renewal. The franchise granted to PROVIDER shall be for a period of ten (10) years commencing on the first day of the month following this Agreement, unless this Franchise be sooner terminated as herein provided. At the end of the initial ten (10) year term of this Agreement, the franchise granted herein may be renewed by the PROVIDER upon the same terms and conditions as contained in this Agreement for an additional five (5) year term, by providing to the CITY's representative designated herein written notice of the PROVIDER's intent to renew not less than ninety (90) calendar days before the expiration of the initial franchise term.

3.2 Rights of PROVIDER Upon Expiration or Revocation. Upon expiration of the franchise granted herein, whether by lapse or time, by agreement between the PROVIDER and the CITY, or by revocation or forfeiture, the PROVIDER shall have a reasonable time not to exceed 120 days to exercise its right to remove from the Rights-of-Way any and all of its System, but in such event, it shall be the duty of the PROVIDER, immediately upon such removal, to restore the Rights-of-Way from which such System is removed to as good condition as the same was before the removal was effected. Failure of PROVIDER to remove any component(s) within the reasonable time shall forfeit the same to CITY. CITY may order the removal of any above-ground portions of PROVIDER'S system by PROVIDER at the cost of PROVIDER.

ARTICLE 4. POLICE POWERS.

The CITY expressly reserves, and the PROVIDER expressly recognizes, the CITY's right and duty to adopt, from time to time, in addition to provisions herein contained, such ordinances and rules and regulations as the CITY may deem necessary in the exercise of its police power for the protection of the health, safety and welfare of its citizens and their properties.

ARTICLE 5. CHANGING CONDITIONS AND SEVERABILITY.

5.1 Meet to Confer. The PROVIDER and the CITY recognize that many aspects of the telecommunication business are currently the subject of discussion, examination and inquiry by different segments of the industry and affected regulatory authorities and that these activities may ultimately result in fundamental changes in the way the PROVIDER conducts its business and the way the CITY regulates the business. In recognition of the present state of uncertainty respecting these matters, the PROVIDER and the CITY each agree, upon request of the other during the term of this Agreement, to meet with the other and discuss in good faith whether it would be appropriate, in view of developments of the kind referred to above during the term of this Agreement, to amend this Agreement or enter into separate, mutually satisfactory arrangements to effect a proper accommodation of any such developments.

5.2 Severability. If any section, sentence, paragraph, term or provision of this Agreement or the Telecommunications Rights-of-Way Ordinance is for any reason determined to be or rendered illegal, invalid, or superseded by other lawful authority, including any state or federal, legislative, regulatory or administrative authority having jurisdiction thereof, or is determined to be unconstitutional, illegal or invalid by any court of competent jurisdiction,, such portion shall be deemed a separate, distinct and independent provision, and such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision, all of which shall remain in full force and effect for the term of this Agreement or any renewal or renewals thereof. Provided that if the invalidated portion is considered a material consideration for entering into this Agreement, the parties will negotiate, in good faith, an amendment to this Agreement. As used herein, "material consideration" for the CITY is its ability to collect the Franchise Fee during the term of this Agreement and its ability to manage the Rights-of-Way in a manner similar to that provided in this Agreement, the Telecommunications Rights-of-Way Ordinance, and the City's Excavation Permit Ordinance. For the PROVIDER, "material consideration" is its ability to use the Rights-of-Way for telecommunication purposes in a manner similar to that provided in this Agreement, the Telecommunications Rights-of-Way Ordinance, and the CITY's Excavation Permit Ordinance.

ARTICLE 6. EARLY TERMINATION, REVOCATION OF FRANCHISE AND OTHER REMEDIES.

6.1 Grounds for Termination. The CITY may terminate or revoke this Agreement and all rights and privileges herein provided for any of the following reasons:

(a) The PROVIDER fails to make timely payments of the franchise fee as required under Article 2 of this Agreement and does not correct such failure within sixty (60) calendar days after written notice by the CITY of such failure;

(b) The PROVIDER, by act or omission, materially violates a material duty herein set forth in any particular within the PROVIDER's control, and with respect to which redress is not otherwise herein provided. In such event, the CITY, acting by or through its CITY Council, may determine, after hearing, that such failure is of a material nature, and thereupon, after written notice giving the PROVIDER notice of such determination, the PROVIDER, within sixty (60) calendar days of such notice, shall commence efforts to remedy the conditions identified in the notice and shall have ninety (90) calendar days from the date it receives notice to remedy the conditions. After the expiration of such 90-day period and failure to correct such conditions, the CITY may declare the franchise forfeited and this Agreement terminated, and thereupon, the PROVIDER shall have no further rights or authority hereunder; provided, however, that any such declaration of forfeiture and termination shall be subject to judicial review as provided by law, and provided further, that in the event such failure is of such nature that it cannot be reasonably corrected within the 90-day time period provided above, the CITY shall provide additional time for the reasonable correction of such alleged failure if the reason for the noncompliance was not the intentional or negligent act or omission of the PROVIDER; or

(c) The PROVIDER becomes insolvent, unable or unwilling to pay its debts, is adjudged bankrupt, or all or part of its facilities should be sold under an instrument to secure a debt and is not redeemed by the PROVIDER within sixty (60) days.

6.2 Reserved Rights. Nothing contained herein shall be deemed to preclude the PROVIDER from pursuing any legal or equitable rights or remedies it may have to challenge the action of the CITY.

6.3 Remedies at Law. In the event the PROVIDER or the CITY fails to fulfill any of its respective obligations under this Agreement, the CITY or the PROVIDER, whichever the case may be, shall have a breach of contract claim and remedy against the other, in addition to any other remedy provided herein or by law; provided, however, that no remedy that would have the effect of amending the specific provisions of this agreement shall become effective without such action that would be necessary to formally amend the Agreement.

6.4 Third Party Beneficiaries. The benefits and protection provided by this Agreement shall inure solely to the benefit of the CITY and the PROVIDER. This Agreement shall not be deemed to create any right in any person who is not a party and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of a party hereto).

ARTICLE 7. PARTIES' DESIGNEES.

7.1 CITY designee and Address. The City Manager or his or her designee(s) shall serve as the CITY's representative regarding administration of this Agreement. Unless otherwise specified herein or in the Telecommunications Rights-of-Way Ordinance, all notices from the PROVIDER to the CITY pursuant to or concerning this Agreement, shall be delivered to the CITY's representative at 5249 South 400 East, Washington Terrace, Utah 84405, or such other officer and address as the CITY may designate by written notice to the PROVIDER.

7.2 PROVIDER Designee and Address. The PROVIDER's Chief Executive Officer or his or her designee(s) shall serve as the PROVIDER's representative regarding administration of this Agreement. Unless otherwise specified herein or in the Telecommunications Rights-of-Way Ordinance, all notices from the CITY to the PROVIDER pursuant to or concerning this Agreement, shall be delivered to PROVIDER's headquarter offices at 12301 W. Explorer Drive, Boise, Idaho 83713, and such other office as the PROVIDER may designate by written notice to the CITY.

7.3 Failure of Designee. The failure or omission of the CITY's or PROVIDER's representative to act shall not constitute any waiver or estoppels by the CITY or PROVIDER.

ARTICLE 8. INSURANCE AND INDEMNIFICATION

8.1 Insurance. Prior to commencing operations in the CITY pursuant to this Agreement, the PROVIDER shall furnish to the CITY, and keep updated, evidence that it has adequate general liability and property damage insurance, which includes coverage not less than

$2,000,000. The evidence may consist of a statement that the PROVIDER is effectively self-insured if the PROVIDER has substantial financial resources, as evidenced by its current certified financial statements and established credit rating, or substantial assets located in the State of Utah. Any and all insurance, whether purchased by the PROVIDER from a commercial carrier, whether provided through a self-insured program, or whether provided in some other form or other program, shall be in a form, in an amount and of a scope of coverage acceptable to the CITY.

8.2 Indemnification. The PROVIDER agrees to indemnify, defend and hold the CITY harmless from and against any and all claims, demands, liens, and all liability or damage of whatsoever kind on account of or arising from the PROVIDER's acts or omissions pursuant to or related to this Agreement, and to pay any and all costs, including reasonable attorneys' fees, incurred by the CITY in defense of such claims. The CITY shall promptly give written notice to the PROVIDER of any claim, demand, lien, liability, or damage, with respect to which the CITY seeks indemnification and, unless in the CITY's judgment a conflict of interest may exist between the parties with respect to the claim, demand, lien, liability, or damage, the CITY shall permit the PROVIDER to assume the defense of such with counsel of the PROVIDER's choosing, unless the CITY reasonably objects to such counsel. Notwithstanding any provision of this Section to the contrary, the PROVIDER shall not be obligated to indemnify, defend or hold the CITY harmless to the extent any claim, demand, lien, damage, or liability arises out of or in connection with negligent acts or omissions of the CITY.

ARTICLE 9. INSTALLATION AND RELOCATION

9.1 Coordinated Installation. In order to prevent and/or minimize the number of cuts to and excavations within the CITY Rights-of-Way, PROVIDER shall coordinate with the CITY and other providers or users of the CITY Rights-of-Way, when such cuts and excavations will be made. Unless otherwise permitted, installation, repairs, or maintenance of lines and facilities within the CITY Rights-of-Way shall be made in the same trench and at the time other installations, repairs or maintenance of facilities are conducted within the CITY Rights-of-Way.

9.2 Underground Installation and Re-location. Unless otherwise provided, all of PROVIDER's facilities within the CITY shall be constructed underground. Notwithstanding the provisions of Article 1.3 of this Agreement, PROVIDER expressly agrees to install and maintain all of its facilities in accordance with CITY Ordinances regarding the undergrounding of utility lines, in effect at the time this Agreement is entered into and as subsequently amended during the term of this Agreement. Nothing herein shall require PROVIDER to convert existing overhead facilities to underground facilities until and unless other similarly situated providers in the same location are required to do so. In the event that any of PROVIDER'S facilities are located in any manner as to interfere with any expansion, reconstruction, maintenance, operation, or otherwise of any CITY Rights-of-Way as determined at the sole discretion of the CITY then PROVIDER shall coordinate with CITY to relocate, remove, or otherwise adjust PROVIDER'S facilities so as to not interfere. All relocation costs of any kind shall be made at the sole expense of the PROVIDER.

ARTICLE 10. GENERAL PROVISIONS

10.1 Binding Agreement. The parties represent that: (a) when executed by their respective parties, this Agreement shall constitute legal and binding obligations of the parties; and (b) each party has complied with all relevant statutes, ordinances, resolutions, by-laws and other legal requirements applicable to their operation in entering into this Agreement.

10.2 Utah Law. This Agreement shall be interpreted pursuant to Utah law.

10.3 Time of Essence. Time shall be of the essence of this Agreement.

10.4 Interpretation of Agreement. The invalidity of any portion of this Agreement shall not prevent the remainder from being carried into effect. Whenever the context of any provision shall require it, the singular number shall be held in include the plural number and vice versa, and the use of any gender shall include any other and all genders. The paragraphs and section headings in this Agreement are for convenience only and do not constitute a part of the provisions hereof.

10.5 No Presumption. All parties have participated in preparing this Agreement. Therefore, the parties stipulate that any court interpreting or construing the Agreement shall not apply the rule of construction that the Agreement should be more strictly construed against the drafting party.

10.6 Amendments. This Agreement may be modified or amended by written agreement only. No oral modifications or amendments shall be effective.

10.7 Binding Agreement. This Agreement shall be binding upon the heirs, successors, administrators and assigns of each of the parties.

SIGNED AND ENTERED INTO this ____ day of _____, 20___

"CITY"
CITY OF _____

By:_____
MARK C. ALLEN, Mayor

ATTEST:

_____
AMY RODRIGUEZ, City Recorder

APPROVED AS TO FORM:

_____
WILLIAM MORRIS,
City Attorney for Land Use and Planning

"PROVIDER"

Syringa Networks, LLC, an Idaho limited liability company

By:_____
Greg Lowe, Chief Executive Officer

CORPORATE ACKNOWLEDGMENT

STATE OF _____)
:ss.
COUNTY OF _____)

On the ____ day of _____, 20___ personally appeared before me Greg Lowe, who being by me duly sworn did say that he is the Chief Executive Officer of Syringa Networks, LLC, and that the foregoing instrument was signed on behalf of said company by authority of its board of directors and/or its company documents; and he acknowledged to me that said company executed the same.

_____
Notary Public
Residing at: _____
My Commission Expires:_____

EXHIBIT "A"
Telecommunications Rights-of-Way Ordinance

City of Washington Terrace

Redevelopment Agency Meeting
Tuesday, February 3, 2015
Immediately 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 DECEMBER 2, 2014

4. NEW BUSINESS

4.1 DISCUSSION/DIRECTION: ROAD REHABILITATION PROPOSAL
Direction on bidding for crack and slurry seal for RDA roads

5. COMMENTS CONSIDERED

6 MOTION: ADJOURN INTO CLOSED SESSION

- Strategy sessions to discuss the purchase, exchange, or lease of real property when public discussion of the transaction would disclose the appraisal or estimate value of the property under consideration or prevent the public body from completing the transaction on the best possible terms.

7. ADJOURNMENT OF MEETING: CHAIR ALLEN

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 Agency Meeting Held on Tuesday, December 2, 2014 at City Hall, 5249 South 400 East, Washington Terrace City, County of Weber, State of Utah

CHAIR, BOARD, AND STAFF MEMBERS PRESENT

Chair Mark C. Allen
Board Member Mary Johnston
Board Member Blair Brown
Board Member Robert Jensen
Board Member Scott Monsen
Vice-Chair Val Shupe
Executive Director Tom Hanson
Public Works Director Steve Harris
Finance Director Shari' Garrett
Secretary Amy Rodriguez

OTHERS PRESENT

Charles and Reba Allen, Ulis Gardiner, Kirstie Polokoff

1. ROLL CALL

2. INTRODUCTION OF GUESTS

3. CONSENT ITEMS

3.1 APPROVAL OF AGENDA
3.2 APPROVAL OF MEETING MINUTES FROM OCTOBER 21, 2014

Items 3.1 and 3.2 approved by general consent.

4 SPECIAL ORDER

4.1 PUBLIC HEARING: TO HEAR COMMENT ON AMENDING FISCAL YEAR 2014-2015 BUDGET

Garrett noted that the adjustments address the Adams Ave. Project and the Service Agreement with Zion's Bank for their assistance in applying for the RDA Southeast Project Area extension. Garrett stated that the adjustment addresses the remaining balance on the grant funds for the Adams Ave Project.

Chair Allen opened the Public Hearing at 6:41 P.M.
There were no citizen comments.
Chair Allen Closed the Public Hearing at 6:42 P.M.

5. NEW BUSINESS

5.1 MOTION/RESOLUTION 14-12: TO AMEND FISCAL YEAR 2014-2015 BUDGET FOR THE REDEVELOPMENT AGENCY

Motion by Board Member Shupe
Seconded by Board Member Jensen
To approve Resolution 14-12 to amend
Fiscal Year 2014-2015 Budget for the Redevelopment Agency
Approved unanimously (5-0)
Roll Call Vote

6. COMMENTS CONSIDERED

No Comments were considered.

7. ADJOURNMENT OF MEETING AND RESUME REGULAR MEETING: CHAIR ALLEN

Chair Allen adjourned the meeting into regular meeting at 6:45 P.M.

_____ _____

Date Approved **City Recorder**