



UNIFIED FIRE AUTHORITY BOARD AGENDA

September 18, 2018 7:30 a.m.

NOTICE IS HERBY GIVEN THAT THE UNIFIED FIRE AUTHORITY BOARD OF DIRECTORS SHALL ASSEMBLE FOR A MEETING AT UFA EOC LOCATED AT 3380 SOUTH 900 WEST, SALT LAKE CITY, UT 84119

1. Call to Order – Chair Dahle
2. Public Comment
Please limit comments to three minutes each
3. Minutes Approval –Chair Dahle
 - a. August 21, 2018
4. Committee Updates
 - a. Benefits & Compensation Committee (no meeting) – Chair Dahle
 - b. Governance Committee (no meeting) – Chair Silvestrini
 - c. Finance Committee (no meeting) – Chair Stewart
 - d. Board Policy Committee (no meeting) – Chair Dahle
5. Consent Agenda
 - a. Review of August Disbursements – CFO Hill
6. Consider Resolution 09-2018A to approve Capital Lease with Zions Bank – CFO Hill
7. Public Hearing to Receive and Consider Comments on Proposed Amendments to the 2018-2019 Fiscal Year Budget - CFO Hill
8. Consider Resolution 09-2018B to approve a Budget Amendment for the 2018-2019 Fiscal Year - CFO Hill
9. Consider Resolution 09-2018C to approve the appointment of Larry Meyer and Alan Rindlisbacher to the Merit Commission – CLO Brian Roberts
10. Consider Approval of Converting 5 Part Time positions in Logistics to one Full Time Position
– Chief Petersen

11. Fire Chief Report – Chief Petersen
 - a. Maintaining 4-Person Staffing through the shift & status of staffing
 - b. Firefighter Recruitment Update
 - c. URS Firefighter Rate Update
 - d. Support Services Costs Update
 - e. Schedule Board Study Session on EMS

12. Possible Closed Session

The Board may consider a motion to enter into Closed Session. A closed meeting described under Utah Code Section 52-4-205 may be held for specific purposes including, but not limited to:

- a. discussion of the character, professional competence, or physical or mental health of an individual;
- b. strategy sessions to discuss pending or reasonably imminent litigation;
- c. strategy sessions to discuss the purchase, exchange, or lease of real property;
- d. discussion regarding deployment of security personnel, devices, or systems; and
- e. investigative proceedings regarding allegations of criminal misconduct.

A closed meeting may also be held for attorney-client matters that are privileged pursuant to Utah Code § 78B-1-137, and for other lawful purposes that satisfy the pertinent requirements of the Utah Open and Public Meetings Act.

Re-Opening the Meeting

13. Adjournment – Chair Dahle

**The next Board meeting will be held on October 16, 2018 at 7:30 a.m. at
UFA EOC located at 3380 South 900 West, Salt Lake City, UT 84119**

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL UFA MEETINGS.

In accordance with the Americans with Disabilities Act, UFA will make reasonable accommodation for participation in the meetings. Please call the clerk at least three working days prior to the meeting at 801-743-7220. Motions relating to any of the foregoing, including final action, may be taken at the meeting. This meeting may be held telephonically/electronically to allow a member of the UFA Board to participate. This agenda is subject to change with a minimum 24-hour notice.

CERTIFICATE OF POSTING

The undersigned, does hereby certify that the above agenda notice was posted on this 14th day of September 2018 on the UFA bulletin boards, the UFA website www.unifiedfire.org, posted on the Utah State Public Notice website <http://www.utah.gov/pmn/index.html> and was emailed to at least one newspaper of general circulation with the jurisdiction of the public body.

Michelle Roper, UFA Board Clerk



UNIFIED FIRE AUTHORITY BOARD MINUTES

August 21, 2018 7:30 a.m.

Emergency Operations Center – 3380 South 900 West SLC, UT 84119

Notice: Some Board members may participate by electronic means.

1. Call to Order

Quorum was obtained. Chair Dahle called the meeting to order at 7:31 a.m.

- A moment of silence in honor of BC Matt Burchett
- Mayor Dahle commended all of UFA on the success of the funeral events
- Darren Park, IAFF Vice President;
 - Spoke of the long and short-term support/counseling offered to all employees
 - Firefighters and clinicians have been brought into the State to aid both UFA and Draper personnel
 - Also mentioned the multiple agencies and national systems in place to provide support for the Burchett family

2. Public Comment

None

3. Approval of Minutes

Mayor Silvestrini moved to approve the minutes from the June 19, 2018 UFA Board Meeting as submitted.

Councilmember Stewart seconded

All in favor

4. Oath of Office given to Board Member Reid Demman

5. Salt Lake County Representation on UFA Board

- Mayor McAdams
 - SLCo is trying to keep the communities happy while working with and for them
 - This is a fundamental change for SLCo, they are now being hired by these communities and are competing to provide services
 - Wishes to maintain a strong role/partnership with UFA
 - SLCo has both a local and a regional role and feels this warrants more seats on the Board
- Mayor Silvestrini
 - The idea is to be deliberate on this decision and make sure all members are comfortable with this decision

- Makes sense to maintain the partnership with SLCo and have good liaisons for the future of the organization and to maintain the regional relationship.
- SLCo is still wearing two hats
 - Money comes from different areas with a substantial portion from the general fund for regional services
- Mayor Dahle
 - This important issue/decision requires the change of the Interlocal and will result in the realization that all members must be in agreement with the final decision
 - Further discussion needs to be had by the Board
 - Suggests possibly dropping from 3 to 2 members
 - Once the Governance Committee has gone through the Interlocal, it will then go to the municipalities for a vote

6. Committee Updates

- Benefits and Compensation Committee
 - In a discussion with Gallagher regarding options available to the organization in providing quality health at a low price
 - Beginning due diligence rather than waiting until budget time
 - Will bring final options to the Board if there is a monetary impact
- Governance Committee
 - Has gone through the Interlocal and decided what should stay or go
 - Will present the re-worked Interlocal to the Board, prior to a final draft
 - Much of the Interlocal relates more to department policy issues and board policies
 - The goal is to slim down and clarify the Interlocal
 - We must all be on the same page for the organization to be healthy
 - Mayor Silvestrini wants everyone to have the opportunity for input
 - Chief Petersen
 - Have been meeting with individual cities to solicit input for a new Interlocal
 - This document is an opportunity to make UFA what we want it to be together
 - Recognizing there will be differing opinions, everyone must be prepared to have this dialogue
- Finance Committee
No meeting
- Board Policy Committee
No meeting
- URS Fire Fighter Contribution Rate
 - Chief Petersen explained the situation with the loss of funding
 - It is difficult to understand where the issue really is or where the money has gone
 - Will immediately have the Legislative Committee work with the Spatafore's to try to understand the root of the problem
 - A list of talking points will be assembled so that all cities are on target to effectively communicate our dismay and our intent to fight this

- Lobbyists Ashley and Dave Spatafore
 - Distributed a handout outlining the issue
 - UFA must solicit the help of elected officials
 - Insurance companies have not specified what money goes where and the State Tax Commission does not necessarily break down the collected funds
 - Appropriations are taking all the tax and putting it into the General Fund
 - There are three options to fight this:
 - Do nothing legislatively and increase revenue stream to cover costs
 - Attempt to change the fire academy statute
 - Try to increase the insurance premium tax and statutorily state that those funds go into the retirement fund
 - This is the time to do this
 - Elected officials need to talk to their senate seats and get this issue interjected into discussion
 - Mayor Dahle
 - We need to develop an aggressive plan to lobby the legislature
 - Absorbing this would be devastating
 - The goal is to have a firm position by this October

7. Consent Agenda

- Review of June and July disbursements

Mayor Silvestrini moved to approve consent agenda items as submitted
 Councilmember Bush seconded
 All in favor

8. Consider the date of September 18, 2018 for a public hearing to receive and consider comments on proposed amendments to the 2018-2019 fiscal year budget.

Councilmember Stewart moved to approve the date of September 18, 2018 for a public hearing to receive and consider comments on proposed amendments to the 2018-2019 fiscal year budget
 Mayor Silvestrini seconded
 All in favor

9. Fire Chief Report

- Information Outreach Division (IOD)
 - Requested that all members complete the Community Survey
 - The purpose is to see what is and is not working as far as service provided by UFA
- Lease Financing Process
 - RFP closed Friday, 6 bids
 - Will make lease company selection in the next two weeks
 - Should receive money by the end of September so that purchases can move forward
 - The specifics of these purchases are in the Capital Plan

- UFA Support Services
 - Chief Petersen is pleased with the creativity and efforts displayed by all Divisions
 - Final meeting in September for Divisions to present their Support Services reduction plan
 - The goal is to make some thoughtful, money saving changes between budget cycles
- Staffing and Firefighter Recruitment
 - Crews are doing a fantastic job Constant Staffing and Overtime, although still have times we are short
 - Beginning an annual recruitment, test Saturday
 - Will keep the Board updated on the recruits and the process quality

10. Discussion on Merit Commission Appointment

- We have an opening on a committee that hears grievances/appeals
 - The Interlocal states that it cannot be an employee or elected official
 - This board serves as an independent check/balance
 - Would like to get the position appointed at the next Board meeting
 - Please reach out to professional associates
 - Meeting frequency is minimal unless there is a hearing
 - Please have interested individuals submit a resume

11. Quarterly Financial Report

Councilmember Stewart moved to ratify and approve the quarterly financial report, including the list of District expenditures for the last quarter, as presented
 Councilmember Martin seconded
 All in favor

12. Closed Session

None

13. Adjournment 9:16 a.m.

Councilmember Stewart moved to adjourn the meeting
 Mayor Silvestrini seconded
 All in favor

BOARD MEMBERS IN ATTENDANCE:

Councilmember Eric Ferguson
 Mayor Robert Hale
 Councilmember Gary Bowen
 Councilmember Kathleen Bailey
 Mayor Robert Dahle
 SLCo Surveyor Reid Demman
 Councilmember Nicole Martin
 Mayor Kristie Overson
 Mayor Harris Sondak-left at 9:00am

Councilmember Allan Perry
 Councilmember Kelly Bush
 Mayor Jeff Silvestrini
 Councilmember Sheldon Stewart
 Councilmember Richard Snelgrove
 Mayor Tom Westmoreland

BOARD MEMBERS ABSENT:

Mayor Mike Peterson

OTHER ATTENDEES:

AC Mike Watson
AC Jay Ziolkowski
Kiyoshi Young
Bill Brass
CFO Tony Hill
Darren Park-IAFF
Chief Petersen
AC Stephen Higgs

Ashley Spatafore-Lobbyist
Fire Marshall Brad Larson
Beth Todd-VECC
Mayor Ben McAdams
John Hiskey-Taylorville
CLO Brian Roberts
Cynthia Young
Jarín Blackham

Michelle Roper
DOC Nile Easton
Dave Spatafore-Lobbyist
Brett Wood-Herriman
Arriann Woolf
Talsan Schulzke
Zach Robinson

DRAFT

UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING
AUGUST 2018

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
18-Aug	8/10/2018	1	PAYROLL TRANS FOR 7/31/2018 PAY PERIOD	N/A	1,492,226.83
18-Aug	8/24/2018	2	PAYROLL TRANS FOR 8/15/2018 PAY PERIOD	N/A	1,223,733.83
18-Aug	8/22/2018	81793	SELECTHEALTH	8312018	530,824.60
18-Aug	8/14/2018	2	URS ACH PAYMENT - 8/10/18 PAYROLL	N/A	443,607.89
18-Aug	8/29/2018	7	URS ACH PAYMENT - 8/25/18 PAYROLL	N/A	420,513.30
18-Aug	8/13/2018	1	EFTPS - 8/10/18 PAYROLL	N/A	297,750.85
18-Aug	8/27/2018	5	EFTPS - 8/25/18 PAYROLL	N/A	235,830.51
18-Aug	8/6/2018	8062018	WELLS FARGO BUSINESS CARD	Multiple	198,303.94
18-Aug	8/27/2018	6	STATE TAX ACH PAYMENT - 8/25/18 PAYROLL	N/A	150,424.67
18-Aug	8/8/2018	81738	MCNEIL & COMPANY, INC	Multiple	95,670.00
18-Aug	8/8/2018	81712	DEPARTMENT OF HEALTH	18H50000001523	77,103.91
18-Aug	8/22/2018	81791	PUBLIC EMPLOYEES HEALTH PROGRAM	JULYBILL2018	65,492.51
18-Aug	8/16/2018	81783	STATE OF UTAH - GASCARD	Multiple	55,842.57
18-Aug	8/8/2018	81750	UTAH LOCAL GOVERNMENTS TRUST	Multiple	34,680.77
18-Aug	8/7/2018	80819	GCS BILLING SERVICES	Multiple	31,349.19
18-Aug	8/16/2018	81777	ROCKY MTN POWER	Multiple	30,429.22
18-Aug	8/8/2018	81745	SPILLMAN TECHNOLOGIES, INC.	38717	30,230.72
18-Aug	8/8/2018	81722	UNIVERSITY MEDICAL BILLING	Multiple	26,414.94
18-Aug	8/8/2018	81737	MAYORS FINANCIAL ADMIN	Multiple	24,444.78
18-Aug	8/9/2018	81751	CUSTOM BENEFIT SOLUTIONS, INC.	8102018	22,396.79
18-Aug	8/22/2018	81787	CUSTOM BENEFIT SOLUTIONS, INC.	8242018	22,357.63
18-Aug	8/16/2018	81759	ON SITE STORAGE	OSS 18-0877	17,400.00
18-Aug	8/29/2018	81828	ROB SCHMIDT BODY & PAINT INC.	RS12432	17,113.92
18-Aug	8/22/2018	81798	SELECTHEALTH	08312018RET	15,691.30
18-Aug	8/8/2018	81748	UNIFIED FIRE SERVICE AREA	Multiple	15,671.76
18-Aug	8/23/2018	81804	COMCAST	68206723	14,391.11
18-Aug	8/8/2018	81717	MAYORS FINANCIAL ADMIN	MFA0000688	12,222.39
18-Aug	8/29/2018	81827	MAYORS FINANCIAL ADMIN	MFA0000692	12,222.39
18-Aug	8/16/2018	81763	ZOLL MEDICAL CORPORATION	Multiple	12,178.71
18-Aug	8/8/2018	81726	CAPSTONE STRATEGIES	7/25/2018	11,666.67
18-Aug	8/23/2018	81820	VLCM	Multiple	8,732.50
18-Aug	8/15/2018	81518	APPARATUS EQUIPMENT & SERVICE, INC	Multiple	8,529.69
18-Aug	8/16/2018	81758	KRONOS INCORPORATED	Multiple	7,920.00
18-Aug	8/9/2018	81753	LOCAL 1696 - IAFF	8102018	7,060.10
18-Aug	8/22/2018	81789	LOCAL 1696 - IAFF	8242018	7,039.04
18-Aug	8/15/2018	81519	NAPA AUTO PARTS	Multiple	6,736.04
18-Aug	8/23/2018	81814	ROSENBAUER SOUTH DAKOTA, LLC	76451	6,006.00
18-Aug	8/16/2018	81764	ARROW INTERNATIONAL, INC.	9500379436	5,837.90
18-Aug	8/16/2018	81765	CENTURYLINK	Multiple	5,226.70
18-Aug	8/16/2018	81771	LIFE-ASSIST, INC	Multiple	4,937.44
18-Aug	8/23/2018	81807	ENTERPRISE RENT-A-CAR CO OF UT, LLC	Multiple	4,805.32
18-Aug	8/29/2018	81825	GALLAGHER BENEFIT SERVICES INC	151440	4,500.00
18-Aug	8/22/2018	81796	WELLS FARGO ADVISORS, FBO UFA#4064-8710	08242018LW	4,468.52
18-Aug	8/16/2018	81770	KRONOS INCORPORATED	Multiple	4,455.00
18-Aug	8/15/2018	81521	WEIDNER FIRE	Multiple	4,241.49
18-Aug	8/8/2018	81725	APPLICANTPRO	82825	4,169.00
18-Aug	8/8/2018	81742	ROWLAND, GERALD KIM	7/1/2018	4,166.67
18-Aug	8/16/2018	81778	ROWLAND, GERALD KIM	8/1/2018	4,166.67
18-Aug	8/16/2018	81757	A TO Z LANDSCAPING, INC.	Multiple	3,588.09
18-Aug	8/15/2018	81520	VEHICLE LIGHTING SOLUTIONS, INC	3403	3,194.28
18-Aug	8/8/2018	81716	INTERMOUNTAIN HEALTHCARE	EAP-02152	3,105.00
18-Aug	8/7/2018	80821	CDW GOVERNMENT LLC	NJT0179	3,026.27
18-Aug	8/7/2018	80825	WEIDNER FIRE	Multiple	2,889.00
18-Aug	8/8/2018	81731	ENTERPRISE RENT-A-CAR CO OF UT, LLC	Multiple	2,843.25
18-Aug	8/16/2018	4	TRANSFER FUNDS FOR PATIENT REFUNDS - 08/16/18	N/A	2,802.72
18-Aug	8/9/2018	81754	OFFICE OF RECOVERY SERVICES	8102018	2,570.26
18-Aug	8/6/2018	8	TO RECORD BANKING FEES - AUGUST 2018	N/A	2,522.58

Note 1: This is a pooled cash account - disbursements listed include those for UFA's Wildland Enterprise fund

Note 2: Payroll totals are for all UFA funds, not just General Fund

UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING
AUGUST 2018

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
18-Aug	8/8/2018	81740	ROBERT HALF INTERNATIONAL	Multiple	2,432.00
18-Aug	8/8/2018	81711	CUSTOM BENEFIT SOLUTIONS	Multiple	2,225.90
18-Aug	8/9/2018	81756	FIREFIGHTERS CREDIT UNION	08102018TV	2,123.16
18-Aug	8/22/2018	81797	FIREFIGHTERS CREDIT UNION	08242018TV	2,100.06
18-Aug	8/22/2018	81790	OFFICE OF RECOVERY SERVICES	8242018	2,059.76
18-Aug	8/14/2018	3	TO TRANSFER FUNDS FROM FIRE TO EOC FOR YE ADJUSTMENT	N/A	2,000.50
18-Aug	8/23/2018	81803	CENTURYLINK	Multiple	1,874.73
18-Aug	8/8/2018	81723	WORKFORCEQA, LLC	527079	1,863.50
18-Aug	8/23/2018	81817	UNIVERSITY OF UTAH	8/10/2018	1,825.00
18-Aug	8/16/2018	81785	WASATCH FRONT WASTE & RECYCLING DISTRICT	Multiple	1,736.00
18-Aug	8/9/2018	81752	FIREFIGHTERS CREDIT UNION	08102018SF	1,667.89
18-Aug	8/16/2018	81762	TAMS, LLC	Multiple	1,659.00
18-Aug	8/22/2018	81788	FIREFIGHTERS CREDIT UNION	08242018SF	1,643.68
18-Aug	8/16/2018	81774	RC WILLEY HOME FURNISHINGS, INC.	40776762	1,499.97
18-Aug	8/23/2018	81816	TELEFLEX MEDICAL	9500378462	1,415.50
18-Aug	8/16/2018	81760	SKAGGS COMPANIES, INC.	Multiple	1,371.00
18-Aug	8/8/2018	81735	JORDAN CAMPUS AUXILIARY SERVICES	51631A	1,300.00
18-Aug	8/22/2018	81792	PUBLIC EMPLOYEES LT DISABILITY	8242018	1,296.60
18-Aug	8/7/2018	80824	VEHICLE LIGHTING SOLUTIONS, INC	3229	1,205.72
18-Aug	8/8/2018	81720	SERVPRO OF BOUNTIFUL/LAYTON/KAYSVILLE	4503918	1,149.05
18-Aug	8/8/2018	81730	EAGLE SIRENS, INC.	181220	1,117.00
18-Aug	8/8/2018	81746	STRYKER SALES CORPORATION	2458850M	1,075.71
18-Aug	8/23/2018	81801	CANON FINANCIAL SERVICES, INC.	Multiple	1,063.03
18-Aug	8/23/2018	81800	TELEFLEX MEDICAL	Multiple	1,027.19
18-Aug	8/23/2018	81808	HEARTLAND CUSTOMER SOLUTIONS, LLC	INV187098	1,015.11
18-Aug	8/16/2018	81781	SOUTH STATE TRAILER SUPPLY CO. INC	15-19696	996.05
18-Aug	8/23/2018	81812	MAYORS FINANCIAL ADMIN	SLC0000208A	992.79
18-Aug	8/8/2018	81736	LEAF	8573023	900.00
18-Aug	8/8/2018	81724	ZOLL MEDICAL CORPORATION	2640923	863.58
18-Aug	8/23/2018	81811	LARRY H. MILLER FORD	474679	841.43
18-Aug	8/8/2018	81714	GRAINGER	9734769301	833.60
18-Aug	8/29/2018	81821	CENTURYLINK	Multiple	790.46
18-Aug	8/21/2018	82218	APPARATUS EQUIPMENT & SERVICE, INC	Multiple	741.05
18-Aug	8/8/2018	81729	DOMINION ENERGY	Multiple	702.91
18-Aug	8/16/2018	81767	DESERT EDGE HEATING & COOLING	1573	600.00
18-Aug	8/23/2018	81809	HENRY SCHEIN, INC.	Multiple	563.95
18-Aug	8/7/2018	80823	MOUNTAIN ALARM	Multiple	524.70
18-Aug	8/8/2018	81733	FORTE OF UTAH	Multiple	493.50
18-Aug	8/23/2018	81810	INTERMOUNTAIN SWEEPER CO	106305	420.15
18-Aug	8/16/2018	81761	SNOWBIRD RESORT LLC	Multiple	418.53
18-Aug	8/8/2018	81749	UTAH BROADBAND, LLC	Multiple	398.00
18-Aug	8/16/2018	81768	DOMINION ENERGY	Multiple	376.97
18-Aug	8/23/2018	81815	SHRED-IT USA	Multiple	350.59
18-Aug	8/8/2018	81739	METRO PLUMBING	8691	317.00
18-Aug	8/29/2018	81822	DEAN L WEBB & ASSOCIATES	7742	300.00
18-Aug	8/8/2018	81719	RALPH BRODERICK PLUMBING LLC	4028	290.00
18-Aug	8/16/2018	81766	COPPERTON IMPROVEMENT DISTRICT	W-#115 7/18	250.50
18-Aug	8/8/2018	81734	HENRY SCHEIN, INC.	Multiple	237.00
18-Aug	8/23/2018	81805	DESERT EDGE HEATING & COOLING	1643	225.00
18-Aug	8/23/2018	81806	DOMINION ENERGY	Multiple	218.71
18-Aug	8/23/2018	81819	UTAH VALLEY UNIVERSITY	A25188	215.00
18-Aug	8/8/2018	81713	DOMINION ENERGY	Multiple	211.18
18-Aug	8/7/2018	80822	GOLD CUP SERVICES INC.	650392	207.00
18-Aug	8/23/2018	81818	UTAH BROADBAND, LLC	750648	199.00
18-Aug	8/16/2018	81775	ROADPOST USA, INC	RU08167159A	185.55
18-Aug	8/16/2018	81782	STANDARD RESTAURANT EQUIPMENT CO.	1999816	153.95
18-Aug	8/8/2018	81718	METRO PLUMBING	8685	150.00

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Note 2: Payroll totals are for all UFA funds, not just General Fund

**UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - GENERAL FUND POOLED CHECKING
AUGUST 2018**

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
18-Aug	8/8/2018	81747	SUBURBAN PROPANE-1243	Multiple	150.00
18-Aug	8/8/2018	81721	SUPERIOR EQUIPMENT	CI001233	147.74
18-Aug	8/23/2018	81799	HENRY SCHEIN, INC.	53056567	147.50
18-Aug	8/29/2018	81823	DESERT EDGE HEATING & COOLING	1619	140.00
18-Aug	8/8/2018	81727	CENTURYLINK	1446396214	138.35
18-Aug	8/9/2018	81755	UNIFIED POLICE FEDERATION	8102018	133.00
18-Aug	8/22/2018	81794	UNIFIED POLICE FEDERATION	8242018	133.00
18-Aug	8/8/2018	81728	CENTURYLINK	Multiple	128.52
18-Aug	8/7/2018	80820	A COMPANY INC-SLC	A-951835	127.00
18-Aug	8/29/2018	81824	DOMINION ENERGY	Multiple	116.15
18-Aug	8/7/2018	80818	APPARATUS EQUIPMENT & SERVICE, INC	18-IV-1332B	100.00
18-Aug	8/16/2018	81772	PITNEY BOWES GLOBAL	3306745212	98.55
18-Aug	8/16/2018	81779	SALT LAKE COUNTY SERVICE AREA #3	W/S-#113 7/18	96.64
18-Aug	8/29/2018	81826	HENRY SCHEIN, INC.	Multiple	94.80
18-Aug	8/22/2018	81795	UTAH STATE TAX COMMISSION	08242018SC	80.00
18-Aug	8/8/2018	81715	HENRY SCHEIN, INC.	54295962	62.25
18-Aug	8/16/2018	81773	PURCHASE POWER	Multiple	59.94
18-Aug	8/23/2018	81813	ROCKY MOUNTAIN WATER COMPANY	40029	45.00
18-Aug	8/29/2018	81829	ROCKY MOUNTAIN WATER COMPANY	41365	43.40
18-Aug	8/8/2018	81741	ROCKY MOUNTAIN WATER COMPANY	37394	39.00
18-Aug	8/23/2018	81802	CENTURYLINK	1447043320	35.27
18-Aug	8/8/2018	81744	SATCOM GLOBAL INC.	A108180845	34.04
18-Aug	8/8/2018	81732	FEDEX	6-248-65741	33.10
18-Aug	8/16/2018	81780	SNOWBIRD RESORT LLC	2BY5Y7-C73118C	30.00
18-Aug	8/8/2018	81743	SALT LAKE VALLEY SWMC, UT	Multiple	23.88
18-Aug	8/16/2018	81776	ROCKY MOUNTAIN WATER COMPANY	39537	15.50
18-Aug	8/16/2018	81769	FEDEX	6-263-94062	4.62
18-Aug	8/16/2018	81784	SUBURBAN PROPANE-1243	LF; 7/20/18	2.25
18-Aug	8/30/2018	81431	ALLSTEEL INC. (VOIDED)	Multiple	(3,707.75)
					<u>5,820,994.19</u>

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X:\Board Docs\2018-08 Disbursements\10

**UNIFIED FIRE AUTHORITY
CASH DISBURSEMENTS - SPECIAL REVENUE FUND
AUGUST 2018**

<u>GL Period</u>	<u>Check Date</u>	<u>Ref#</u>	<u>Vendor Name</u>	<u>Invoice#</u>	<u>Check Amount</u>
18-Aug	8/29/2018	5	FUNDS TRANSFER FROM EOC TO FIRE - 8/25/18 PAYROLL	N/A	\$ 42,121.88
18-Aug	8/29/2018	4	FUNDS TRANSFER FROM EOC TO FIRE - 8/10/18 PAYROLL	N/A	38,549.48
18-Aug	8/29/2018	2	FUNDS TRANSFER FROM EOC TO FIRE - S. BAUMGARTNER	N/A	21,161.98
18-Aug	8/29/2018	3	FUNDS TRANSFER FROM EOC TO FIRE - S. BAUMGARTNER	N/A	12,080.74
18-Aug	8/24/2018	1	FUNDS TRANSFER FROM EOC TO FIRE - JULY PCARDS	N/A	9,077.12
18-Aug	8/16/2018	7078	ROCKY MTN POWER	E-EOC 7/18	5,959.76
18-Aug	8/23/2018	7084	MAYORS FINANCIAL ADMIN	SLC0000208B	2,340.43
18-Aug	8/8/2018	7073	CHRISTENSEN & GRIFFITH CONSTRUCTION CO.	100	1,580.00
18-Aug	8/16/2018	7080	SYRINGA NETWORKS, LLC	18AUG0239	1,175.00
18-Aug	8/16/2018	7079	STATE OF UTAH - GASCARD	Multiple	1,122.16
18-Aug	8/23/2018	7083	MAYORS FINANCIAL ADMIN	FAC0000312	1,002.12
18-Aug	8/16/2018	7076	CENTURYLINK	TL-EOC 8/18	869.20
18-Aug	8/8/2018	7075	UTAH LOCAL GOVERNMENTS TRUST	1569074C	586.63
18-Aug	8/15/2018	81522	WAXIE SANITARY SUPPLY	77627720	300.55
18-Aug	8/22/2018	7082	PUBLIC EMPLOYEES HEALTH PROGRAM	07312018EOC	262.92
18-Aug	8/8/2018	7074	DOMINION ENERGY	G-EOC 7/18	243.43
18-Aug	8/7/2018	80826	GOLD CUP SERVICES INC.	650520	174.75
18-Aug	8/23/2018	7085	SHRED-IT USA	8125336807D	131.82
18-Aug	8/16/2018	7077	ROADPOST USA, INC	RU08167159B	61.85
18-Aug	8/16/2018	7081	WASATCH FRONT WASTE & RECYCLING DISTRICT	4918C	50.00
					<u>\$ 138,851.82</u>



UNIFIED FIRE AUTHORITY

TO: UFA Board Members

FROM: Tony Hill, CFO

SUBJECT: Lease Purchase Agreement with Zions Municipal Funding

DATE: September 18, 2018

As part of the 2018-19 budget process and in accordance with our capital replacement plan, the UFA Board approved \$5,228,670 in debt to be issued for the purchase of apparatus and equipment. We have gone through the competitive bid process and put together a RFP review committee consisting of a board member and staff members from finance, logistics and command staff. We received 6 bids. The winning bid came from Zions Municipal Funding and we are looking forward to working with them over the coming years on this project. Below are some of the highlights of the lease agreement.

Lessor: Zions Municipal Funding (ZMFU II)

Escrow agent: Zions Corporate Trust

Total Amount: \$5,231,495 (Includes \$2,825 in escrow fees)

Interest Rate: 2.88%

Annual Payment: \$812,494.91

Lease Length: 7 years – Final payment October 2024

Closing date: October 1, 2018

UNIFIED FIRE AUTHORITY
Resolution No. 09-2018A of 2018
(Approval and Authorization to Execute Lease/Purchase Agreement)

A resolution approving the form of the Lease/Purchase Agreement with ZMFU II, INC., Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The Unified Fire Authority (the “Governing Body”) of Unified Fire Authority (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

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

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

Be it resolved by the Governing Body of Unified Fire Authority as follows:

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

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

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

Adopted and approved this ____ day of _____, 2018.

By _____
Robert Dahle, Chairperson

Attest:

By _____
Clerk

STATE OF UTAH)

) ss.

COUNTY OF SALT LAKE

)

I, _____ hereby certify that I am the duly qualified and acting
_____ of Unified Fire Authority (the "Lessee").
(Title)

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the governing body including a Resolution adopted at said meeting held on September 18, 2018, 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 _____, 2018.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this _____ day of _____, 2018.

By _____

Print Name _____

Title _____

EXHIBIT 1
(Lease/Purchase Agreement)

UTAH FIXED EQUIPMENT LEASE

Long Name of Entity: Unified Fire Authority
Address: 3380 South 900 West
City, State Zip: Salt Lake City, UT 84119
Attention: Tony Hill
Public Finance Office: Chief Financial Officer
County: Salt Lake
Amount: 5,231,495.00
Rate: 2.88
Maturity Date: October 1, 2024
First Pmt Date: October 1, 2018
Payment Dates: October 1
Auto Extend: 1
Governing Body: Unified Fire Authority
Resolution Date: September, 2018
Dated Date: October, 2018
Day: 1st
State: Utah

\$5,231,495.00
Unified Fire Authority
Non-BQ Lease Purchase Agreement

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

NON-BQ LEASE/PURCHASE AGREEMENT

Dated as of October 1, 2018

by and between

ZMFU II, INC.,
as Lessor

and

UNIFIED FIRE AUTHORITY,
as Lessee

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LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of October 1, 2018, by and between ZMFU II, INC., a corporation organized under the laws of the State of Utah, as lessor (the "Bank"), and Unified Fire Authority (the "Lessee"), a public agency of the State of Utah (the "State"), duly organized and existing under the Constitution and laws of the State, as lessee;

WITNESSETH:

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

WHEREAS, the Bank agrees to lease the Leased Property to the Lessee upon the terms and conditions set forth in this Lease, with rental to be paid by the Lessee equal to the Lease Payments hereunder; and

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

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

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

ARTICLE I

DEFINITIONS AND EXHIBITS

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

"Acquisition Amount" means [insert lease amt.] and is the amount represented by Lessee to be sufficient to acquire the Leased Property and pay any ancillary costs associated therewith.

"Advance" shall have the meaning set forth in Section 2.1(1)(i)(D) hereof.

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

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

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

“Commencement Date” means the date this Lease is executed by the Bank and the Lessee and shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“Escrow Account” means the fund established and held by the Escrow Agent pursuant to the Escrow Agreement.

“Escrow Agent” means the Escrow Agent identified in the Escrow Agreement, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement dated [dated date] executed by Lessee, Bank and the Escrow Agent, pursuant to which the Escrow Account is established and administered. A copy of the Escrow Agreement shall be found in Exhibit G.

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

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

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

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

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

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

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

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

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

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

“Rebate Exemption” shall have the meaning set forth in Section 2.1(1)(ii)(A) hereof.

“Regulations” shall have the meaning set forth in Section 2.1(1)(i) hereof.

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

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

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

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

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

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) No Legal Violation. The Leased Property is not, and at all times during the Term of this Lease will not be in violation of any federal, state or local law, statute, ordinance or regulation.

(l) General Tax and Arbitrage Representations and Covenants.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(K) This Lease and the Advances to be made pursuant hereto will not reimburse the Lessee for any expenditures incurred prior to the date of this Lease and do not constitute a "refunding issue" as defined in Section 1.150-1(d) of the

Regulations, and no part of the proceeds of this Lease or any such Advances will be used to pay or discharge any obligations of the Lessee the interest on which is or purports to be excludable from gross income under the Code or any predecessor provision of law.

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

(M) None of the proceeds of this Lease or the Advances to be made hereunder will be used directly or indirectly to replace funds of the Lessee used directly or indirectly to acquire obligations at a yield materially higher than the yield on this Lease or otherwise invested in any manner. No portion of the Advances will be made for the purpose of investing such portion at a materially higher yield than the yield on this Lease.

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

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

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

(Q) To the best of the knowledge, information and belief of the Lessee, the above expectations are reasonable. On the basis of the foregoing, it is not

expected that the proceeds of this Lease and the Advances to be made hereunder will be used in a manner that would cause this Lease or such Advances to be "arbitrage bonds" under Section 148 of the Code and the regulations promulgated thereunder, and to the best of the knowledge, information and belief of the Lessee, there are no other facts, estimates or circumstances that would materially change the foregoing conclusions.

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

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

(1) The Lessee has general taxing powers.

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

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

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

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

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

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

- or -

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

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

ARTICLE III

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

SECTION 3.1 Lease. The Bank hereby leases the Leased Property to the Lessee, and the Lessee hereby leases the Leased Property from the Bank, upon the terms and conditions set forth herein.

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

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, which is also the date on which the Acquisition Amount is deposited with the Escrow Agent, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D, E, and F attached hereto, and continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the "Original Term"). Thereafter, this Lease will be extended for 1 successive additional periods of one year coextensive with Lessee's fiscal year, except for the last such period which may be less than a full fiscal year, (each, a "Renewal Term") subject to an Event of Nonappropriation as described herein below in this Section 3.2 and in Section 3.3(a), with the final Renewal Term ending on October 1, 2024, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the "Scheduled Term" irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein.

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

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

- (a) upon the expiration of the Original Term or any Renewal Term of this Lease following an Event of Nonappropriation;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Leased Property;
- (c) a default by Lessee and Bank's election to terminate this Lease under Article VII herein; or
- (d) the expiration of the Scheduled Term of this Lease, the Lessee having made payment of all Lease Payments accrued to such date.

SECTION 3.4 Lease Payments.

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

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

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

SECTION 3.5 Possession of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a) or 3.3(c), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property, and the Lessee at the Bank's direction shall ship the Leased Property to the destination designated by the Bank by loading the Leased Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

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

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

shall this Lease obligate the Lessee to apply money of the Lessee to the payment of Lease Payments beyond the then current Original Term or Renewal Term, as the case may be, or any interest thereon.

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

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

ARTICLE IV

INSURANCE

SECTION 4.1 Insurance. Lessee, at Bank's option, will either self-insure, or at Lessee's cost, will cause casualty insurance, public liability insurance, and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and to be in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be the named insured on such policies as its interest under this Lease may appear. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance satisfactory to Bank, if any, together with receipts for the initial premiums before the Leased Property is delivered to Lessee. Renewal policies, if any together with receipts showing payment of the applicable premiums will be delivered to Bank at least thirty (30) days before termination of the policies being renewed. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workmen's compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this

Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE V

COVENANTS

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

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

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

SECTION 5.2 Interest in the Leased Property and this Lease. Upon expiration of the Term as provided in Section 3.3(b) or 3.3(d) hereof, all right, title and interest of the Bank in and to all of the Leased Property shall be transferred to and vest in the Lessee, without the necessity of any additional document of transfer.

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

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

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

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

SECTION 5.4 Modification of the Leased Property.

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

(b) No Liens. Except for Permitted Encumbrances, the Lessee will not permit (i) any liens or encumbrances to be established or remain against the Leased Property or (ii) any mechanic's or other lien to be established or remain against the Leased Property for labor or materials furnished in connection with any additions, modifications or improvements made by the Lessee pursuant to this Section; provided that if any such mechanic's lien is established and the Lessee shall first notify or cause to be notified the Bank of the Lessee's intention to do so, the Lessee may in good faith contest any lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom and shall provide the Bank with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Bank. The Bank will cooperate fully in any such contest.

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

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

SECTION 5.7 Bank's Disclaimer of Warranties. The Bank has played no part in the selection of the Leased Property, the Lessee having selected the Leased Property independently from the Bank. The Bank, at the Lessee's request, has acquired or arranged for the acquisition of the Leased Property and shall

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

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

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

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

ARTICLE VI

ASSIGNMENT AND SUBLEASING

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

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

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

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

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

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

(c) Bankruptcy or Insolvency. The filing by the Lessee of a case in bankruptcy, or the subjection of any right or interest of the Lessee under this Lease to any execution, garnishment or attachment, or adjudication of the Lessee as a bankrupt, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Lessee in any proceedings instituted under the provisions of the federal bankruptcy code, as amended, or under any similar act which may hereafter be enacted.

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

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

(a) take possession of the Leased Property by virtue of the Bank’s ownership interest as lessor of the Leased Property;

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

(c) take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Lease, the Security Documents (defined in Section 9.3), the Escrow Agreement or as a secured party in any or all of the Leased Property or the Escrow Account hereunder.

(d) terminate the Escrow Agreement and apply the proceeds in the Escrow Account to the Lease Payments due hereunder.

SECTION 7.3 No Remedy Exclusive. No remedy conferred herein upon or reserved to the Bank is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be

construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Bank to exercise any remedy reserved to it in this Article it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

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

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

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

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

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

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

ARTICLE IX

MISCELLANEOUS

SECTION 9.1 Notices. Unless otherwise specifically provided herein, all notices shall be in writing addressed to the respective party as set forth below (or to such other address as the party to whom

such notice is intended shall have previously designated by written notice to the serving party), and may be personally served, telecopied, or sent by overnight courier service or United States mail:

If to Bank:

ZMFU II, INC.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133
Attention: Kirsi Hansen

If to the Lessee:

Unified Fire Authority
3380 South 900 West
Salt Lake City, UT 84119
Attention: Tony Hill

Such notices shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission if transmitted by 4:00 p.m. (Salt Lake City time) on a Business Day or, if not, on the next succeeding Business Day; (c) if delivered by overnight courier, two Business Days after delivery to such courier properly addressed; or (d) if by United States mail, four Business Days after depositing in the United States mail, postage prepaid and properly addressed.

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

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

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

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

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

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

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

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

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

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

[SIGNATURE PAGES TO FOLLOW]

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

ZMFU II, INC., as Lessor

By _____
Authorized Officer

UNIFIED FIRE AUTHORITY, as Lessee

By: _____

Title

EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE*

1. Interest. Interest components payable on the principal amount outstanding have been computed at the rate of two and eighty-eight hundredths percent (2.88%) per annum calculated based on actual number of days elapsed during a 360-day year.

2. Payment Dates and Amounts.

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
10/01/2018	812,494.91	-	-	812,494.91	812,494.91
10/01/2019	685,227.71	2.880%	127,267.20	812,494.91	812,494.91
10/01/2020	704,962.26	2.880%	107,532.64	812,494.90	812,494.90
10/01/2021	725,265.18	2.880%	87,229.73	812,494.91	812,494.91
10/01/2022	746,152.81	2.880%	66,342.09	812,494.90	812,494.90
10/01/2023	767,642.02	2.880%	44,852.89	812,494.91	812,494.91
10/01/2024	789,750.11	2.880%	22,744.80	812,494.91	812,494.91
Total	\$5,231,495.00	-	\$455,969.35	\$5,687,464.35	-

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

APPARATUS	Current Cost	Life Span	#	Estimated 2018 Cost
Type 1 Engine	\$650,000	10/12	2	\$1,300,000
Type 6 Engine	\$165,000	13/15	3	\$495,000
Ambulance	\$284,590	10/12	3	\$853,770
Battalion/District	\$106,000	4/6	4	\$424,000
Mechanic Trucks	\$100,000	7	1	\$100,000
Staff Vehicles	\$34,000	7	14	\$476,000
ZOLL Monitors (w/ trade-in)	\$26,000	4/6	40	\$1,040,000
ZOLL Monitors (no trade-in)	\$34,000	4/6	5	\$170,000
Extrication	\$27,000	13/15	3	\$81,000
Thermal Imagers	\$8,500	7/9	70	\$595,000
Stretchers	\$17,500	7/9	8	\$140,000
Bomb Suits	\$35,000	7	1	\$35,000
Servers	\$7,700	5	5	\$38,500
Network Devices	\$12,700	5	2	\$25,400
Logistics building maintenance bay separator	\$130,000		1	\$130,000
Total General Fund Cost				\$5,903,670
Cash available				\$675,000
Amount to be financed				\$5,228,670

EXHIBIT C

RESOLUTION OF GOVERNING BODY

A resolution approving the form of the Lease/Purchase Agreement with ZMFU II, INC., Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The Unified Fire Authority (the “Governing Body”) of Unified Fire Authority (the “Lessee”) has determined that the leasing of the property described in the Lease/Purchase Agreement (the “Lease/Purchase Agreement”) presented at this meeting is for a valid public purpose and is essential to the operations of the Lessee; and

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

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

Be it resolved by the Governing Body of Unified Fire Authority as follows:

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

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

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

Adopted and approved this ____ day of _____, 2018.

By _____

Print Name _____

Title _____

Attest:

By _____

Print Name _____

Title _____

STATE OF UTAH

)

) ss.

COUNTY OF SALT LAKE

)

I, _____ hereby certify that I am the duly qualified and acting
_____ of Unified Fire Authority (the "Lessee").
(Title)

I further certify that the above and foregoing instrument constitutes a true and correct copy of the minutes of a regular meeting of the governing body including a Resolution adopted at said meeting held on September 18, 2018, 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 _____, 2018.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this _____ day of _____, 2018.

By _____

Print Name _____

Title _____

EXHIBIT D
Opinion of Lessee's Counsel

To: ZMFU II, INC.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

As counsel for Unified Fire Authority (“Lessee”), I have examined duly executed originals of the Lease/Purchase Agreement (the “Lease”) dated this 1st day of October, 2018, between the Lessee and ZMFU II, INC., Salt Lake City, Utah (“Bank”), and the proceedings taken by Lessee to authorize and execute the Lease (the “Proceedings”). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of Utah (the “State”).
2. The Lease and the Proceedings have been duly adopted, authorized, executed, and delivered by Lessee, and do not require the seal of Lessee to be effective, valid, legal, or binding.
3. The governing body of Lessee has complied with all applicable open public meeting and notice laws and requirements with respect to the meeting at which the Proceedings were adopted and the Lessee's execution of the Lease was authorized.
4. The Lease is a legal, valid, and binding obligation of Lessee, enforceable against Lessee in accordance with its terms except as limited by the state and federal laws affecting remedies and by bankruptcy, reorganization, or other laws of general application affecting the enforcement of creditor's rights generally.
5. Either there are no usury laws of the State applicable to the Lease, or the Lease is in accordance with and does not violate all such usury laws as may be applicable.
6. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property (as defined in the Lease) from the Bank under the Lease, or the acquisition and leasing of the Leased Property from the Bank under the Lease comply with all such procurement and public bidding laws as may be applicable.
7. There are no legal or governmental proceedings or litigation pending or, to the best of my knowledge, threatened or contemplated (or any basis therefor) wherein an unfavorable decision, ruling or finding might adversely affect the transactions contemplated in or the validity of the Lease.
8. The adoption, execution and/or delivery of the Lease and the Proceedings, and the compliance by the Lessee with their provisions, will not conflict with or constitute a breach of or default under any court decree or order or any agreement, indenture, lease or other instrument or any existing law or administrative regulation, decree or order to which the Lessee is subject or by which the Lessee is or may be bound.
9. Although we are not opining as to the ownership of the Leased Property or the priority of liens thereon, it is also our opinion that the Security Documents attached as Exhibit E to the Lease are sufficient in substance, form, and description, and indicated place, address, and method of filing and/or recording, to completely and fully perfect the security interest in every portion of the Leased Property granted under the Lease, and no other filings and/or recordings are necessary to fully perfect said security interest in the Leased Property.

Attorney for Lessee

EXHIBIT E

SECURITY DOCUMENTS

[Attach UCC-1 Financing Statement and Certificates of Title showing ZMFU II, INC. as the lien holder]

EXHIBIT F

DELIVERY AND ACCEPTANCE CERTIFICATE

To: ZMFU II, INC.
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

Reference is made to the Lease/Purchase Agreement between the undersigned (“Lessee”), and ZMFU II, INC. (the “Bank”), dated October 1, 2018, (the “Lease”) and to that part of the Leased Property described therein which comprises personal property (collectively, the “Equipment”). In connection therewith we are pleased to confirm to you the following:

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

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

Lessee:

UNIFIED FIRE AUTHORITY

By: _____
(Authorized Signature)

Date: _____

EXHIBIT G

ESCROW AGREEMENT

EXHIBIT G

FORM OF ESCROW AGREEMENT

This Escrow Agreement (this “Agreement”), dated October 1, 2018 by and among ZMFU II, INC., a corporation existing in the State of Utah (hereinafter referred to as “Lessor”), Unified Fire Authority, a body politic and corporate of the State of Utah (hereinafter referred to as “Lessee”), and Zions Bank, a division of ZB, N.A., a national banking association (hereinafter referred to as “Escrow Agent”).

Reference is made to that certain Lease/Purchase Agreement, dated October 1, 2018, between Lessor and Lessee (hereinafter referred to as the “Lease”), covering the acquisition and lease of certain Leased Property described therein (the “Leased Property”). It is a requirement of the Lease that the Acquisition Amount be deposited with the Escrow Agent hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Leased Property costs.

The parties agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created a special trust fund to be known as the “Unified Fire Authority Escrow Account” (the “Escrow Account”) to be held in trust by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof. On the date hereof, from proceeds of the Lease, Lessor has caused the amount of \$5,231,495.00 to be transferred to Escrow Agent for deposit into the Escrow Account.

(b) The Escrow Agent shall invest and reinvest moneys on deposit in the Escrow Account in Qualified Investments in accordance with written instructions received from Lessee. Lessee shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Escrow Agent for the reinvestment of any maturing investment. Accordingly, neither the Escrow Agent nor Lessor shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Escrow Account, and Lessee agrees to and does hereby release the Escrow Agent and Lessor from any such liability, cost, expenses, loss or claim. Interest on the Escrow Account shall become part of the Escrow Account, and gains and losses on the investment of the moneys on deposit in the Escrow Account shall be borne by the Escrow Account. The Escrow Agent shall have no discretion whatsoever with respect to the management, disposition or investment of the Escrow Account and is not a trustee or a fiduciary to Lessee. The Escrow Agent shall not be responsible for any market decline in the value of the Escrow Account and has no obligation to notify Lessor and Lessee of any such decline or take any action with respect to the Escrow Account, except upon specific written instructions stated herein. For purposes of this agreement, “Qualified Investments”

means any investments which meet the requirements of the investment of public funds by Lessee in accordance with applicable Utah law and any applicable policy that the governing body of the Lessee has adopted with respect to the investment of public funds.

(c) Lessee covenants that all investments of amounts deposited in the Escrow Account or other fund containing gross proceeds of the Lease will be acquired, disposed of and valued at the fair market value thereof. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Internal Revenue Code of 1986, as amended (the "*Code*") will be valued at their present value. Terms used in this subsection (c) shall have the meanings given them in the applicable provisions of the Code.

(d) Unless the Escrow Account is earlier terminated in accordance with the provisions of paragraph (e) below, amounts in the Escrow Account shall be disbursed by the Escrow Agent in payment of amounts described in Section 2 hereof upon receipt of written authorization(s) from Lessor, as is more fully described in Section 2 hereof. If the amounts in the Escrow Account are insufficient to pay such amounts, Lessee shall provide any balance of the funds needed to complete the acquisition of the Leased Property. Any moneys remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate (defined in Section 2(c)(3) below) shall be applied as provided in Section 4 hereof.

(e) The Escrow Account shall be terminated at the earliest of (i) the final distribution of amounts in the Escrow Account (including delivery to Lessor by Lessee of an executed Delivery and Acceptance Certificate contained in the Lease), or (ii) written notice given by Lessor of the occurrence of a default or non-appropriation of the Lease.

(f) The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Escrow Agent, and for the disposition of the same in accordance herewith. In the event conflicting instructions as to the disposition of all or any portion of the Escrow Account are at any time given by Lessor and Lessee, the Escrow Agent shall abide by the instructions or entitlement orders given by Lessor without consent of the Lessee.

(g) Unless the Escrow Agent is guilty of gross negligence or willful misconduct with regard to its duties hereunder, Lessee agrees to and does hereby release and indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Agreement; and in connection therewith, does to the extent permitted by law indemnify the Escrow Agent against any and all

expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(h) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

(i) The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct.

(j) Lessee shall reimburse the Escrow Agent for all reasonable costs and expenses, including those of the Escrow Agent's attorneys, agents and employees incurred for extraordinary administration of the Escrow Account and the performance of the Escrow Agent's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between Lessor and Lessee concerning the Escrow Account.

(k) The Escrow Agent or any successor may at any time resign by giving mailed notice to Lessee and Lessor of its intention to resign and of the proposed date of resignation (the "Effective Date"), which shall be a date not less than 90 days after such notice is delivered to an express carrier, charges prepaid, unless an earlier resignation date and the appointment of a successor shall have been approved by the Lessee and Lessor. After the Effective Date, the Escrow Agent shall be under no further obligation except to hold the Escrow Account in accordance with the terms of this Agreement, pending receipt of written instructions from Lessor regarding further disposition of the Escrow Account.

(l) The Escrow Agent shall have no responsibilities, obligations or duties other than those expressly set forth in this Agreement and no fiduciary or implied duties, responsibilities or obligations shall be read into this Agreement.

2. Acquisition of Property.

(a) Acquisition Contracts. Lessee will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition of the Leased Property, with moneys available in the Escrow Account. Lessee represents the estimated costs of the Leased Property are within the funds estimated to be available therefor, and Lessor makes no warranty or representation with respect thereto. Lessor shall have no liability under any of the acquisition or construction contracts. Lessee shall obtain all necessary permits and approvals, if any, for the acquisition, equipping and installation of the Leased Property, and the operation and maintenance thereof.

(b) Authorized Escrow Account Disbursements. Disbursements from the Escrow Account shall be made for the purpose of paying (including the reimbursement to Lessee for advances from its own funds to accomplish the purposes hereinafter described) the Leased Property Costs and any delivery costs.

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or corporation to whom payment thereof is due. Each such requisition shall be signed by Marvin Dodge (including his successors or anyone whom he or his successors may appoint to sign) of Lessee (an "Authorized Representative") and by Lessor, and shall be subject to the following:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1 certifying that:
 - (i)(A) an obligation in the stated amount has been incurred by Lessee, and that the same is a proper charge against the Escrow Account for costs relating to the Leased Property identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof); (B) the Leased Property relating to such obligation has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee, and (C) Lessee has conducted such inspection and/or testing of the Leased Property relating to such obligation as it deems necessary and appropriate in order to determine the Leased Property's capability and functionality in order to accept such Leased Property;
 - (ii) the Lessee has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made;
 - (iii) such requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date of such certificate, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee);
 - (iv) the Leased Property is insured in accordance with the Lease;
 - (v) no Event of Default (nor any event which, with notice or lapse of time or both, would become an Event of Default) has occurred and is continuing and
 - (vi) the representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof; and
2. Delivery to Lessor invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement); bills of sale (if title to such Leased Property has passed to Lessee); a description, and serial

and/or VIN number for each item and any additional documentation reasonably requested by Lessor;

3. Deposit to Escrow Account. Upon execution of the Lease and the satisfaction of any conditions specified in the Lease or otherwise, Lessor will cause the Acquisition Amount of \$5,231,495.00 to be deposited into the Escrow Account. Lessee agrees to pay any costs with respect to the Leased Property in excess of amounts available therefor in the Escrow Account and to pay delivery costs in excess of amounts available therefor in the Escrow Account; provided, however, that any amount required for either such purpose shall be payable solely from moneys that have been appropriated by Lessee for such purpose.

4. Excessive Escrow Account. Any funds remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate, or upon a termination of the Escrow Account as otherwise provided herein, shall be delivered by the Escrow Agent to Lessor, and Lessor shall apply such funds to amounts owed under the Lease.

5. Security Interest. The Escrow Agent and Lessee acknowledge and agree that the Escrow Account and all proceeds thereof are being held by Escrow Agent for disbursement or return as set forth herein. Lessee hereby grants to Lessor a first priority perfected security interest in the Escrow Account and all proceeds thereof, and all investments made with any amounts in the Escrow Account. If the Escrow Account or any part thereof, is converted to investments as set forth in this agreement, such investments shall be made in the name of Escrow Agent and the Escrow Agent hereby agrees to hold such investments as bailee for Lessor so that Lessor is deemed to have possession of such investments for the purpose of perfecting its security interest.

6. Control of Escrow Account. In order to perfect Lessor's security interest by means of control in (i) the Escrow Account established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Escrow Account, (iii) all of Lessee's rights in respect of the Escrow Account, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), Lessor, Lessee and Escrow Agent further agree as follows:

(a) All terms used in this Section 6 which are defined in the Uniform Commercial Code of the State of Utah ("Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) Escrow Agent will comply with all entitlement orders originated by Lessor with respect to the Collateral, or any portion of the Collateral, without further consent by Lessee.

(c) Escrow Agent hereby represents and warrants (a) that the records of Escrow Agent show that Lessee is the sole owner of the Collateral, (b) that Escrow Agent

has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than Lessor's claim pursuant to this Agreement, and (c) that Escrow Agent is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that Escrow Agent is obligated to accept from Lessor under this Agreement and entitlement orders that Escrow Agent, subject to the provisions of paragraph (e) below, is obligated to accept from Lessee.

(d) Without the prior written consent of Lessor, Escrow Agent will not enter into any agreement by which Escrow Agent agrees to comply with any entitlement order of any person other than Lessor or, subject to the provisions of paragraph (e) below, Lessee, with respect to any portion or all of the Collateral. Escrow Agent shall promptly notify Lessor if any person requests Escrow Agent to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Escrow Agent may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent of Lessor, allow Lessee to withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

(f) Lessee hereby irrevocably authorizes Escrow Agent to comply with all instructions and entitlement orders delivered by Lessor to Escrow Agent.

(g) Escrow Agent will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and Escrow Agent will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) Escrow Agent and Lessee hereby agree that any property held in the Escrow Account shall be treated as a financial asset under such section of the Commercial Code, notwithstanding any contrary provision of any other agreement to which Escrow Agent may be a party.

(i) Escrow Agent is hereby authorized and instructed, and hereby agrees, to send to Lessor at its address set forth in Section 7 below, concurrently with the sending thereof to Lessee, duplicate copies of any and all monthly Escrow Account statements or reports issued or sent to Lessee with respect to the Escrow Account.

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Fee Schedule; Initial Fee. \$2,825.00.

9. Miscellaneous.

(a) Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This agreement may not be amended except in writing signed by all parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to Lessor: ZMFU II, INC.
 1 South Main Street 17th Floor Salt
 Lake City, UT 84133
Attn: _____, Vice President

If to Lessee: _____

If to Acquisition Zions Bank, a division of ZB, N.A.
Fund Custodian: Corporate Trust Department
 1 South Main Street
 Salt Lake City, UT 84037
Attn: _____, Vice President

In Witness Whereof, the parties have executed this Escrow Agreement as of the date first above written.

ZMFU II, INC.

UNIFIED FIRE AUTHORITY

as Lessor

as Lessee

By: _____
_____, Vice President

By: _____
Tony Hill, CFO

Zions Bank, a division of ZB, N.A.
as Escrow Agent

By: _____
_____, Vice President

**UNIFIED FIRE AUTHORITY
BUDGET AMENDMENTS
09/18/2018**

GENERAL FUND

- 1. \$385,121 Decrease in member fee revenues due to change at Station #116 from 4-handed to 3-handed**
 - a. Alta member fee \$46 1031100
 - b. Cottonwood Heights member fee \$314,167 1031300
 - c. UFSA member fee \$52,847 1031350
 - d. Holladay member fee \$18,061 1031400
 - e. Salary & Wages \$302,889 1089100
 - f. Employee Benefits \$75,161 1089130
 - g. Workers comp \$4,551 1089135
 - h. Uniform allowance \$2,520 1089140

- 2. \$12,495 Increase in new annual capital lease payment from estimate to actual RFP award**
 - a. Capital lease payments - principal \$12,495 1088221
 - b. Appropriated fund balance \$12,495 1034400

- 3. Station alerting system upgrade to meet VECC conversion requirements**
 - a. Capital Outlay – Mach & Equipment \$860,081 1094216
 - b. Miscellaneous Intergovernmental \$891,804 1034200

WILDLAND – ENTERPRISE FUND

None

EMERGENCY SERVICES – SPECIAL REVENUE FUND

None

FIRE CAPITAL REPLACEMENT FUND

- 1. \$2,825 Increase in capital lease financing proceeds to accommodate estimated escrow fees**
 - a. Bank fees \$2,825 5540352
 - b. Capital lease proceeds \$2,825 5531830

UNIFIED FIRE AUTHORITY
Resolution No. 09-2018B of 2018
(First Amendment of the Budget for Fiscal Year 2018-2019)

A RESOLUTION AMENDING FOR THE FIRST TIME THE BUDGET OF THE
UNIFIED FIRE AUTHORITY FOR THE FISCAL YEAR BEGINNING JULY 1, 2018
AND ENDING JUNE 30, 2019.

PREAMBLE

Unified Fire Authority is a political subdivision, duly organized and existing under the laws of the State of Utah. Unified Fire Authority finds that certain exigencies of its operations require that amendments be made to the current budget and related documents. UCA §11-13-515, §11-13-519, and §11-13-520 provide UFA with authority to amend its budget as necessary by adoption of a resolution by its governing body.

All conditions precedent to amend said budget have been accomplished.

Be it resolved by the Unified Fire Authority Board of Directors:

SECTION 1. Purpose. The purpose of this Resolution is to accomplish the first amendment to the budget for Fiscal Year 2018-2019.

SECTION 2. Adoption of Amendment. The first budget amendment, attached hereto and made part of this Resolution by reference, shall be and hereby is adopted and incorporated into the budget of Unified Fire Authority for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

SECTION 3. Effective Date. This Resolution shall take effect on September 18, 2018.

DATED this 18th day of September, 2018.

UNIFIED FIRE AUTHORITY

By: _____
Chairperson

APPROVED AS TO FORM:

ATTEST:

Chief Legal Counsel

Clerk

UNIFIED FIRE AUTHORITY
Resolution No. 09-2018C of 2018
(Re-Appointing Members of Merit Commission)

A RESOLUTION RE-APPOINTING LARRY MEYER AND ALAN RINDLISBACHER
TO THE UNIFIED FIRE AUTHORITY MERIT COMMISSION

PREAMBLE

Unified Fire Authority is a political subdivision, duly organized and existing under the laws of the State of Utah as an interlocal entity pursuant to an Interlocal Agreement. The Interlocal Agreement, specifically Exhibit K thereto, provides for the establishment of a “Merit Commission” for the purpose of hearing employee appeals of grievances and adverse employment actions. Commission Members Larry Meyer and Alan Rindlisbacher were previously appointed to the Merit Commission, but their terms have expired. The Board wishes to re-appoint them to the Merit Commission under the terms and conditions provided for in this Resolution.

Be it resolved by the Unified Fire Authority Board of Directors:

SECTION 1. Purpose. The purpose of this Resolution is to accomplish the re-appointment of Larry Meyer and Alan Rindlisbacher to the Unified Fire Authority Merit Commission as established in Exhibit K of the Interlocal Agreement and Policy adopted pursuant thereto.

SECTION 2. Appointment. The Board hereby appoints Larry Meyer and Alan Rindlisbacher to the Unified Fire Authority Merit Commission. Pursuant to Exhibit K, these initial terms of appointment will be staggered, based upon the drawing of lots, so the initial terms are as follows (subject to renewal upon expiration): Alan Rindlisbacher for a term of two years from the date of this Resolution, Larry Meyer for a term of three years

form the date of this Resolution, and a third Merit Commission member to be appointed subsequently for a term of four years.

SECTION 3. Effective Date. This Resolution shall take effect on September 18, 2018.

DATED this 18th day of September, 2018.

UNIFIED FIRE AUTHORITY

By: _____
Robert Dahle, Chairperson

APPROVED AS TO FORM:

ATTEST:

Brian Roberts, Chief Legal Counsel

Michelle Roper, Clerk