



HARRISVILLE CITY

363 West Independence • Harrisville, Utah 84404 • (801) 782-4100

CITY COUNCIL AGENDA

363 West Independence Blvd

September 14, 2021

Join Zoom Meeting

<https://us02web.zoom.us/j/82781649892?pwd=QjBVTFpZeko4TGV0QIphL2VUNGcvdz09>

Meeting ID: 827 8164 9892

Passcode: 902830

"In accordance with the Americans with Disabilities Act, the City of Harrisville will make reasonable accommodations for participation in the meeting. Request for assistance can be made by contacting the City Recorder at 801-782-4100, providing at least three working days advance notice of the meeting."

7:00 P.M. CITY COUNCIL MEETING

Presiding: Mayor Michelle Tait

Mayor Pro Tem: Steve Weiss

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE & OPENING CEREMONY [Council Member Loveland]

3. CONSENT ITEMS

- a. Approve the minutes of August 10, 2021 as presented.

4. BUSINESS ITEMS

- a. PUBLIC HEARING –to take public comments for and against Harrisville Ordinance 529; an ordinance vacating an abandoned utility easement on Montgomery Farms Phase 2.
- b. Discussion/possible action to adopt Harrisville Ordinance 529; an ordinance vacating Montgomery Farms Phase 2 Utility Easement. [Bill Morris]
- c. Discussion/possible action to approve Harrisville Resolution 21-11; Public Works Vehicle Lease Agreement. [Justin Shinsel]
- d. Discussion/possible action to surplus Police Vehicles. [Chief Wilson]
- e. Discussion/possible action to adopt Harrisville Ordinance 526; A-1 (Agricultural) Zone Amendments. [Bill Morris]
- f. Discussion/possible action to adopt Harrisville Ordinance 527; Internal Accessory Dwelling Unit Regulations. [Bill Morris]
- g. Discussion/possible action to adopt Harrisville Resolution 21-12; Department Head Personnel Policy Amendments. [Bill Morris]

5. PUBLIC COMMENTS - (3 minute maximum)

6. MAYOR/COUNCIL FOLLOW-UP

7. CLOSED EXECUTIVE SESSION: Utah State Code §52-4-205(1)(a): The Council may consider a motion to enter into Closed Executive Session for the purpose of discussion of character, professional competence, or physical or mental health of individuals(s).

8. ADJOURN

DATE POSTED: September 9, 2021

BY: Jennie Knight, City Recorder

I, Jennie Knight, certify that I am the City Recorder of Harrisville City, Utah, and that the foregoing City Council agenda was posted and can be viewed at City Hall, on the City's website www.cityofharrisville.com, and at the Utah Public Notice Website at <http://pmn.utah.gov>. Notice of this meeting has also been duly provided as required by law.

MAYOR:

Michelle Tait

COUNCIL MEMBERS:

Grover Wilhelmsen

Steve Weiss

Blair Christensen

Max Jackson

Kenny Loveland

**MINUTES OF HARRISVILLE CITY
CITY COUNCIL MEETING
August 10, 2021
363 West Independence Blvd
Harrisville, UT 84404**

Present: Mayor Michelle Tait, Council Member Wilhelmsen, Council Member Steve Weiss, Council Member Blair Christensen, Council Member Max Jackson, Council Member Kenny Loveland.

Staff: Bill Morris, City Administrator, Jennie Knight, City Recorder, Cynthia Benson, Deputy City Recorder, Justin Shinsel, Public Works, Mark Wilson, Police Chief, Bryan Fife, Recreation Director, Matt Robertson, City Engineer.

Visitors: Arnold Tait, Jake Bussio, John Hansen, Genneva Blanchard, Jake Thompson, Rodney Thompson, Pamela Shinsel, Marvin Farrell, Darren Dailey.

7:00 P.M. CITY COUNCIL MEETING

1. Call to Order.

Mayor Tait called the meeting to order and welcomed all visitors.

2. Opening Ceremony.

Council Member Jackson led the pledge of allegiance and conducted the opening ceremony.

3. Consent Items.

- a. Approve the minutes of July 13, 2021 as presented.

MOTION: Council Member Wilhelmsen to approve the minutes of July 13, 2021 with changes of name to city engineer. Council Member Weiss seconded the motion. All Council Members voted aye. Motion passed.

- b. Ratify Mayor's appointment of Harrisville Public Works Director.

Mayor explained the process of how they had two selection committees. Justin Shinsel was introduced to the council. He gave a brief detail of work experience to council.

MOTION: Council Member Loveland motioned to give his advice and consent of Mayor Tait's appointment of Justin Shinsel as the Harrisville Public Works Director. Council Member Christensen seconded the motion. All Council Members voted aye. Motion passed.

Jennie Knight administered the oath of office to Justin Shinsel.

4. Business Items.

a. Discussion/possible action to adopt Harrisville Ordinance 522; Zoning Map Amendment Copperwood Zone.

Bill Morris explained the application for a zoning map amendment. This comes with a positive recommendation from the Planning Commission. This ordinance will change the zoning of several parcels on HWY to a mixed-use commercial zone. He read the staff memo into the record.

The proposed ordinance and master development agreement (MDA) with the accompanying exhibits comes with a positive recommendation from the Planning Commission held on July 14, 2021. Direct Homes submitted an application on March 23, 2021 to rezone possibly 6.28 acres located at approximately 1956 N HWY 89 currently a CP-2 and R-1-10 zone to a combined Mixed-Use Commercial Zone. The public hearing was held on April 14, 2021 to receive public comment along with a series of work committee meetings, consisting of one council member, planning commission member, city engineer, staff, and developers, who met over a three-month period to negotiate the ordinance and the master development agreement and exhibits. The development includes 51.27% of commercial element covering 3.22 acres within the development which are split between 24 Live-Here Work-Hear units and one commercial pad. There are 2.61 acres of open space including 2 playgrounds and pathways around the development. The development will be completed in one phase. There are no wetlands, design and standards that include all Live-Here Work-Here units are outlined as Exhibit E. The development has two access points; one north access point on 2150 North and a southern access on 2000 North. A Traffic Study was conducted to determine the impact on surrounding roads and identified as Exhibit D. A median has been included on the plan to control the ingress and egress at 2000 N. The HOA and CC&R's include restrictions on businesses and residential uses in Exhibit F. The Live-Here Work-Here, Commercial pad including western portion of the development buffered by open space, parking and pathways throughout the development. The units on the east are turned to present the least amount of obstruction or impact to existing properties. Bill Morris asked that the findings of the staff memo be included in the motion for approval.

The design and orientation of the project was reviewed. Council Member Christensen asked for clarification on which way the units would be facing and if the current pond will stay. Mayor Tait asked the developer, Jake Thompson, to respond. Jake Thompson explained residents' backyards will face existing backyards. Bill Morris explained the Planning Commission required a covenant to be added to the deeds for each unit in the MDA and CC&R's for the commercial portion to stay commercial. Council Member Christensen asked when the developer planned on starting the project. Jake Thompson replied with immediately, hopefully this year with the goal of finishing within 2 years. Mayor Tait asked if this was to be built all at once. Jake Thompson confirmed yes.

Council Member Christensen asked what water runs through the area and the sewer capacity of the existing lines. Jake Thompson outlined the south side of the project where the water is an open ditch. Matt Robertson explained that the development would

tie into a 12" line already existing with enough capacity across the highway. There is some concern along 750 West, but this development will not bring in too many units to make that over capacity. They do tie into the line that has the capacity to get them over the highway.

Council Member Wilhelmsen asked about the storm water. Storm water will be discharged into the existing basin which does have some extra capacity. Matt Robertson is waiting to see the engineered drawings to verify this. The idea discussed is for the development to use some of the capacity in the existing basin and piping the 6-mile creek that runs through the development.

Council Member Wilhelmsen asked what the next step is. Bill Morris explained this is the zoning change to allow the project to move through.

MOTION: Council Member Wilhelmsen motioned to adopt Harrisville Ordinance 522; Zoning Map Amendment Copperwood Zone subject to the findings of HCMC §11.11.060(2) for Mixed-Use Commercial (MU-C) Sub-zone eligibility requirements: a minimum of 51% of the total area shall include commercial elements, plan map, phasing plans, trails map, transportation plans and studies, sensitive lands map, geotechnical and wetland reports, conservation plan, proposed land uses, proposed site standards, architectural renderings of commercial and residential buildings, landscaping designs, homeowner's association, covenants (CC&Rs), historical resources and preservation, and maintenance plans. HCMC §11.11.060(3) required elements for a master development plan which includes intended use and intensity of residential, commercial, office, or retail. Location of infrastructure such as roads, parking, storm water facilities, flood control, utilities, and other infrastructure. Size and type of support uses, open space, recreational amenities, pathways or trails, and related amenities. Designation of present or proposed FEMA floodplain and wetland area. Development standards for residential, commercial, retail office, or other proposed uses including parking areas, dimensions and setbacks. Proposed design standards addressing building height, massing and orientation, open space, natural resource protection, architectural design and materials, landscaping and buffering standards, parking, and signage. Proposed plan for maintenance of the project, plan for implementing, administering, and enforcing the proposed project. A hold harmless provision ensuring the City, and other public entities servicing the project, cannot be held liable for damages arising out of the MDA. HCMC §11.06.030(3) conformance to the 2019 General Plan, relation to surrounding land uses, and development impact on the surrounding area. Council Member Loveland seconded the motion. A Roll Call Vote was taken.

Council Member Loveland	Yes
Council Member Jackson	Yes
Council Member Christensen	Yes
Council Member Weiss	Yes
Council Member Wilhelmsen	Yes

Motion passed 5-0.

b. Discussion/possible action to grant Preliminary Approval for Montgomery Farms Subdivision, a 19-lot subdivision located at approximately 100 West 2200 North.

Bill Morris reviewed the City Engineer's memo dated August 5, 2021 reading a portion into the record. He explained this is for Preliminary approval and received a positive recommendation from the Planning Commission at the last meeting held on July 14, 2021. The city engineer has completed a review of the preliminary plat and improvement plans for the Montgomery Farms Phase 2 Subdivision located at approximately 100 West 2200 North. This property was recently recommended for annexation into the City and will be zoned R-1-10. The proposed development will have 19 new residential lots. Recommendation for preliminary approval was made by the Planning Commission last month subject to the engineering review comments being addressed prior to final approval. Those comments along with the current status and notes regarding the items below. They range from preliminary plat approval of what is completed and what still needs verification. If granted the project will go back to the Planning Commission for final approval.

Bill Morris received clarification today from Jon Call in North Ogden, which requires an amendment to an existing interlocal agreement for sewer services for eight (8) lots in North Ogden to connect to Harrisville sewer. We currently have 11 lots connected to Harrisville sewer from a previous development. This would make 19 lots total on Harrisville sewer. Harrisville has lots that connect to Ogden sewer, and there are additional bordering areas that share utility services. This is common place to deal with these discrepancies, especially on the boundaries. Council will see an amended agreement brought before council for the eight (8) lots in the subdivision.

Matt Robinson explained they need to address some issues with the plans and provide more clarification. The main issue was the sewer connection for the eight (8) lots. These items need to be finalized before final approval. Bill Morris explained the additional steps which include final approval and setting up escrow. Mayor Tait pointed out the development will go back to Planning Commission for final approval before coming back to Council.

MOTION: Council Member Christensen motioned to grant Preliminary Approval for Montgomery Farms Subdivision; a 19-lot subdivision located at approximately 100 West 2200 North subject the engineer's memo of August 5, 2021. Council Member Jackson seconded the motion. All Council Members voted aye. Motion passed.

c. Discussion/possible action to adopt Harrisville Ordinance 528; an ordinance amending Sanitary Sewer Service General Provision.

Bill Morris explained that the city previously updated the sewer code earlier this year; and a second time based on state law. Central Weber Sewer District conducted an audit which has triggered this update. Their auditor stated that all cities serviced by Central Weber need to have this clause added to their ordinance. This will adopt their Wastewater Control Rules and Regulations by reference. Mayor Tait clarified this is because they have these adopted within their ordinance and the cities need include this as well.

MOTION: Council Member Wilhelmsen motioned to adopt Harrisville Ordinance 528; an ordinance amending Sanitary Sewer Service General Provision. Council Member Weiss seconded the motion.

A Roll Call Vote was taken.

Council Member Loveland	Yes
Council Member Jackson	Yes
Council Member Christensen	Yes
Council Member Weiss	Yes
Council Member Wilhelmsen	Yes

Motion passed 5-0.

5. PUBLIC COMMENTS - (3 minute maximum)

No Public Comment was given.

6. Mayor/Council Follow-Up

a. Fall Festival

Bryan Fife introduced the Fall Festival plans. He handed out a flyer to Council as a current draft of what the schedule will be. He explained the times listed are a place holder until everything is finalized. Fireworks have already been scheduled, and he asked Council if they had any questions. Trunk or Treat start time was addressed. Jennie Knight explained the timeline is contingent on Pioneer PTA participation. If they do not participate, the timeline can be adjusted accordingly. Council Member Weiss asked about food trucks. Bryan Fife explained there may be a conflict with the food trucks and the city providing free donuts and hot cocoa. Jennie Knight explained that the food trucks typically require a flat fee. Mayor Tait expressed concern with expending city money to entice a food truck to come. Discussion was given to have food trucks available from 5pm to 7pm; and serving donuts later. Council Member Loveland clarified there will not be compensation for the food trucks. All agreed. Mayor Tait expressed her hope the elementary will partner with us again.

Council Member Weiss asked about the speed limit signs. The metal signs for speed limit signage and Children at Play signage in the subdivision on 575 West; one on either side of the road. Mayor Tait asked if Justin Shinsel and Glen Gammell had discussed

this item. Justin Shinsel said they are just waiting for Council approval to move forward. Mayor and Council agreed to have signs installed.

Council Member Wilhelmsen thanked staff, Glen Gammell in particular, for placing the signs on the canal fence at the 1100 North pocket park.

Mayor Tait thanked Bryan Fife for the fence installation on the east property line of City Hall. She also informed Council of the new Youth City Council coordinator Tami Johnson. She will be working with Cynthia Benson to clean up the Facebook Pages and reactivate the Youth City Council.

7. **CLOSED EXECUTIVE SESSION:** Utah State Code §52-4-205(1)(a): The Council may consider a motion to enter into Closed Executive Session for the purpose of discussion of character, professional competence, or physical or mental health of individuals(s).

MOTION: Council Member Weiss motioned to open the Closed Executive Session for the purpose of discussion of character, professional competence, or physical or mental health of individuals(s). Council Member Loveland seconded the motion. A Roll Call Vote was taken.

Council Member Loveland	Yes
Council Member Jackson	Yes
Council Member Christensen	Yes
Council Member Weiss	Yes
Council Member Wilhelmsen	Yes

Motion passed 5-0.

Mayor and Council convened into a Closed Executive Session.

MOTION: Council Member Jackson motioned to close the Closed Executive Session for the purpose of discussion of character, professional competence, or physical or mental health of individuals(s). Council Member Wilhelmsen seconded the motion. A Roll Call Vote was taken.

Council Member Loveland	Yes
Council Member Jackson	Yes
Council Member Christensen	Yes
Council Member Weiss	Yes
Council Member Wilhelmsen	Yes

Motion passed 5-0.

8. Adjourn.

Mayor Tait declared the meeting adjourned at 8:43 p.m.

ATTEST:

MICHELLE TAIT
Mayor

JENNIE KNIGHT

City Recorder

Approved this 14th day of September, 2021

**HARRISVILLE CITY
ORDINANCE 529**

VACATING MONTGOMERY FARMS PHASE 2 UTILITY EASEMENT

**AN ORDINANCE OF HARRISVILLE CITY, UTAH, VACATING AN
ABANDONED UTILITY EASEMENT AS SPECIFIED; AND PROVIDING AN
EFFECTIVE DATE.**

WHEREAS, Harrisville City is a municipal corporation, duly organized and existing under the laws of the State of Utah;

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

WHEREAS, *Utah Code Annotated §10-9a-208* provides that for proposals to vacate a public easement;

WHEREAS, the City Council received a request from JH REAL ESTATE, LLC, to vacate an abandoned or unnecessary public utility easement in the City;

WHEREAS, after providing the requisite notice, the required public hearing for this vacation was held before the City Council on September 14, 2021;

NOW, THEREFORE, be it ordained by the City Council of Harrisville City as follows:

Section 1: **Easement Vacated.** The public utility easement dated March 10, 2006, as Entry Number 2165601, as shown of the Office of the Weber County Recorder, is hereby vacated as specified in the Vacation and Termination of Right-of-Way Easement attached hereto and incorporated herein as Exhibit "A."

Section 2: **Effective date.** This Ordinance will take effect immediately upon approval and posting.

PASSED AND ADOPTED by the City Council on this 14th day of September, 2021.

MICHELLE TAIT, Mayor

ATTEST:

JENNIE KNIGHT, City Recorder

RECORDED this ____ day of _____, 2021.
PUBLISHED OR POSTED this ____ day of _____, 2021.

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provision of U.C.A. §10-3-713, 1953 as amended, I, the municipal recorder of Harrisville City, hereby certify that foregoing ordinance was duly passed and published, or posted at 1) City Hall 2) Martin Henderson Harris Cabin and 3) 2150 North on the above referenced dates.

DATE: _____

JENNIE KNIGHT, City Recorder

Notice for Proposal to Vacate

In accordance with Utah Code 10-9a-208, notice is hereby given that the Harrisville City Council will hold a public hearing on September 14, 2021 at 7:00 P.M. to consider a proposal by Anthony & Shauna Bown, to vacate an abandoned or unnecessary public utility easement within the boundaries of the proposed Montgomery Farms Phase 2. Said public utility easement proposed to be vacated is dated March 10, 2006, as Entry Number 2165601 at the Office of the Weber County Recorder with the legal description of the public utility easement as provided within said Entry Number.

DRAFT

GRANT OF EASEMENT

WHEREAS, Jed McCormick, hereinafter called the Grantor, owner and entitled to possession of real property situated in Harrisville City, Weber County, Utah;

WHEREAS, Harrisville City Corporation, a municipal corporation in the State of Utah. Hereinafter called the Grantee, is desirous of obtaining an easement over and along a portion of said property, as more particularly hereinafter described; and

WHEREAS, the said Grantor is willing to grant and convey the same to the Grantee for the consideration hereinafter set forth:

NOW, THEREFORE, in consideration of the sum of \$ 1730.00, to the Grantor paid by the Grantee, receipt of which is hereby acknowledged, said Grantor hereby conveys and grants to the Grantee, its successors, transferees and assigns, the 20 foot wide perpetual easement hereinafter described as a public utility easement to construct, reconstruct, operate, repair, replace and maintain public utilities, in, over, upon, across and through those portions of Grantor's land lying in the Southwest Quarter of Section 32, T.7N., R.1W. as follows:

Being a part of the Southwest Quarter of Section 32, T.7N., R.1W., Salt Lake Base and Meridian, and described as follows:

A 20 foot wide permanent public utility easement being 10.0 feet either side of the following described centerline:

Beginning at a point 399.92 feet South 87°38'26" East along the Quarter Section line, 334.11 feet South, 358.43 feet South 88°50'58" East and 571.57 feet South 88°54'16" East from the West Quarter corner of Section 32 Township 7 North, Range 1 West, Salt Lake Base and Meridian, U.S. Survey; running thence South 4°24'19" West 173 feet.

Grantor shall, subject to the Grantee's rights as herein granted, have the right to fully enjoy and use the premises burdened by said easements, but Grantor, his heirs, successors, administrators, representatives or assigns, shall not erect any permanent buildings or structure upon the lands comprising the perpetual or permanent easement above described without Grantee's consent in writing first had and obtained.

Grantee by accepting this grant agrees to replace or repair, with materials of like kind and equal quality, any existing fences, ditches, pipelines, driveways or roadways, including the appurtenances thereto, damaged or destroyed in said construction, and will restore the surface as near as can be to its original condition within the easement area.

WITNESS THE HANDS of Grantor this 10

day of March, 2006.

Jed McCormick Pam McCormick
Mike McCormick Jane McCormick
STATE OF UTAH
COUNTY OF WEBER

Frank J. McCormick
Lex C. McCormick Beverly E. McCormick

On the 10 day of March, 2006, personally appeared before me, #2165601, the signer of the foregoing instrument who duly acknowledged the same.

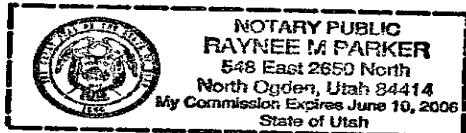
DOUG DROFTS, WEBER COUNTY RECORDER
10 MAR 06 340 PM FEE \$10.00 DEP JK
REC FOR: JED MCCORMICK

Residing at: _____

My commission Expires _____

Notary Public
(Seal)

Jed McCormick, Pam McCormick, Frank J. McCormick,
Mike McCormick, Jane McCormick, Lex C. McCormick and
Beverly E. McCormick,



W2165601

#2165601

**HARRISVILLE CITY
RESOLUTION 21-11**

PUBLIC WORKS VEHICLE LEASE AGREEMENT

**A RESOLUTION OF HARRISVILLE CITY, UTAH, APPROVING THE
LEASE/PURCHASE AGREEMENT WITH ZIONS BANCORPORATION,
N.A., SALT LAKE CITY, UTAH; AUTHORIZING THE EXECUTION;
AND EFFECTIVE DATE.**

WHEREAS, Harrisville City (hereafter "City") is a municipal corporation duly organized and existing under the laws of the State of Utah;

WHEREAS, the City has deemed the leasing of the property described in the Lease/Purchase Agreement is for valid public purpose and is essential to the operations of the Lessee;

WHEREAS, the Harrisville City Council 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 City Council has taken the steps necessary to comply with respect to the Lease/Purchase Agreement.

NOW, THEREFORE, be it resolved by the City Council of Harrisville City, Utah, 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 Mayor and Harrisville City Staff and the Lessee are hereby authorized and directed to fulfill all obligations under the terms of the Lease/Purchase Agreement.

PASSED AND ADOPTED this 14th day of September, 2021.

HARRISVILLE CITY:

MICHELLE TAIT, Mayor

ATTEST:

JENNIE KNIGHT, City Recorder

Municipal Vote Tally: **Yes** **No**

Council Member Wilhelmsen _____
Council Member Weiss _____
Council Member Christensen _____
Council Member Jackson _____
Council Member Loveland _____

UTAH FIXED EQUIPMENT LEASE

Long Name of Entity: Harrisville City
Address: 363 West Independence Blvd.
City, State Zip: Harrisville, UT 84404
Attention: Glen Gammell

Public Finance Office:

County: Weber
Amount: 120,300.00
Rate: 2.29
Maturity Date: September 21, 2025
First Pmt Date: September 21, 2021
Payment Dates: September 21
Auto Extend: 4
Governing Body: City Council
Resolution Date: August __, 2021
Dated Date: September, 2021
Day: 21st
State: Utah

\$120,300.00
Harrisville City
Lease Purchase Agreement

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

LEASE/PURCHASE AGREEMENT

Dated as of September 21, 2021

by and between

ZIONS BANCORPORATION, N.A.,
as Lessor

and

HARRISVILLE CITY,
as Lessee

TABLE OF CONTENTS

ARTICLE I

DEFINITIONS AND EXHIBITS

SECTION 1.1	Definitions and Rules of Construction	1
SECTION 1.2	Exhibits	2

ARTICLE II

REPRESENTATIONS COVENANTS AND WARRANTIES

SECTION 2.1	Representations, Covenants and Warranties of the Lessee	2
SECTION 2.2	Representations, Covenants and Warranties of the Bank	8

ARTICLE III

LEASE; LEASE PAYMENTS

SECTION 3.1	Lease.....	8
SECTION 3.2	Term	8
SECTION 3.3	Termination.....	9
SECTION 3.4	Lease Payments	9
SECTION 3.5	Possession of Leased Property Upon Termination	9
SECTION 3.6	No Withholding.....	9
SECTION 3.7	Lease Payments to Constitute a Current Obligation of the Lessee	10
SECTION 3.8	Net Lease	10
SECTION 3.9	Offset.....	10

ARTICLE IV

INSURANCE

SECTION 4.1	Insurance.....	10
SECTION 4.2	Damage to or Destruction of the Leased Property	10

ARTICLE V

COVENANTS

SECTION 5.1	Use of the Leased Property	11
SECTION 5.2	Interest in the Leased Property and this Lease	11
SECTION 5.3	Maintenance, Utilities, Taxes and Assessments.....	11
SECTION 5.4	Modification of the Leased Property.....	12
SECTION 5.5	Permits	12
SECTION 5.6	Bank's Right to Perform for Lessee.....	13
SECTION 5.7	Bank's Disclaimer of Warranties.....	13
SECTION 5.8	Indemnification	13
SECTION 5.9	Inclusion for Consideration as Budget Item.	13
SECTION 5.10	Annual Financial Information.....	13

ARTICLE VI

ASSIGNMENT AND SUBLEASING

SECTION 6.1	Assignment by the Bank	13
SECTION 6.2	Assignment and Subleasing by the Lessee	14

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

SECTION 7.1	Events of Default Defined.....	14
SECTION 7.2	Remedies on Default	14
SECTION 7.3	No Remedy Exclusive	15
SECTION 7.4	Agreement to Pay Attorneys' Fees and Expenses	15
SECTION 7.5	Waiver of Certain Damages	15

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

SECTION 8.1	Extraordinary Prepayment From Net Proceeds.....	15
SECTION 8.2	Option to Purchase Leased Property	15

ARTICLE IX

MISCELLANEOUS

SECTION 9.1	Notices.....	16
SECTION 9.2	System of Registration.....	16
SECTION 9.3	Instruments of Further Assurance.....	16
SECTION 9.4	Binding Effect	16
SECTION 9.5	Amendments	16
SECTION 9.6	Section Headings.....	16
SECTION 9.7	Severability	16
SECTION 9.8	Entire Agreement	17
SECTION 9.9	Execution in Counterparts.....	17
SECTION 9.10	Arbitration	17
SECTION 9.11	Applicable Law	17

Schedule of Lease Payments.....	Exhibit A
Legal Description of the Leased Property.....	Exhibit B
Resolution of Governing Body	Exhibit C
Opinion of Lessee's Counsel	Exhibit D
Security Documents.....	Exhibit E
Delivery and Acceptance Certificate.....	Exhibit F

LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of September 21, 2021, by and between ZIONS BANCORPORATION, N.A., a national banking association duly organized and existing under the laws of the United States of America, as lessor (the "Bank" or "Lessor"), and Harrisville City (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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(l) General Tax and Arbitrage Representations and Covenants.

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

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

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

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

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

(E) No use will be made of the proceeds of this Lease or any such Advance, or any funds or accounts of the Lessee which may be deemed to be proceeds of this Lease or any such Advance, which use, if it had been reasonably expected on the date of the execution of this Lease or of any such Advance, would

have caused this Lease or any such Advance to be classified as an "arbitrage bond" within the meaning of Section 148 of the Code.

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

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

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

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

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

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

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

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

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

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

(M) None of the proceeds of this Lease or the Advances to be made hereunder will be used directly or indirectly to replace funds of the Lessee used directly or indirectly to acquire obligations at a yield materially higher than the

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

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

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

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

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

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

(A) Lessee Qualifies for Small Issuer Exemption from Arbitrage Rebate. The Lessee hereby certifies and represents that it qualifies for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate

arbitrage earnings from investment of proceeds of the Advances made under this Lease (the "Rebate Exemption") as follows:

(1) The Lessee has general taxing powers.

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

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

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

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

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

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

- or -

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

(m) Small Issuer Exemption from Bank Nondeductibility Restriction. Based on the following representations of the Lessee, the Lessee hereby designates this Lease and the interest

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

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

ARTICLE III

AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

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

Concurrently with its execution of this Lease, the Lessee shall deliver to the Bank fully completed documents substantially in the forms attached hereto as Exhibits B, C, D E and F hereto. Prior to the Bank making the final Advance hereunder, Lessee shall provide the Bank an executed copy of the Delivery and Acceptance Certificate found in Exhibit F.

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D, E and F attached hereto, and continue until the end of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be extended for 4 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 September 21, 2025, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the “Scheduled Term” irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein.

If Lessee does not appropriate funds for the payment of Lease Payments due for any Renewal Term in the adopted budget of the Lessee for the applicable fiscal year (an “Event of Nonappropriation”), this Lease

will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Bank of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect.

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

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

SECTION 3.4 Lease Payments.

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

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

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

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

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

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

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

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

ARTICLE IV

INSURANCE

SECTION 4.1 Insurance. Lessee, at Bank's option, will either self-insure, or at Lessee's cost, will cause casualty insurance and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and public liability insurance with respect to the Leased Property in the amounts required by law, but in no event with a policy limit less than \$1,000,000 per occurrence. All insurance shall be written in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be a loss payee as its interest under this Lease may appear on such property damage insurance policies, and an additional insured on a primary and noncontributory basis on such public liability insurance in an amount equal to or exceeding the minimum limit stated herein. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance or self-insurance satisfactory to Bank, together with receipts for the applicable premiums before the Leased Property is delivered to Lessee and at least thirty (30) days before the expiration of any such policies. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workers compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will,

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

ARTICLE V

COVENANTS

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

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

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

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

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

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

exchange for the Lease Payments herein provided, the Bank agrees to provide only the Leased Property, as hereinbefore more specifically set forth.

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

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

SECTION 5.4 Modification of the Leased Property.

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

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

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

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

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

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

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

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

ARTICLE VI

ASSIGNMENT AND SUBLEASING

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

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

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

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

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

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

ARTICLE IX

MISCELLANEOUS

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

If to Bank:

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

If to the Lessee:

Harrisville City
363 West Independence Blvd.
Harrisville, UT 84404
Attention: Glen Gammell

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

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

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

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

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

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

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

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

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

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

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

[SIGNATURE PAGES TO FOLLOW]

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

ZIONS BANCORPORATION, N.A., as Lessor

By: _____
Authorized Officer

HARRISVILLE CITY, 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 twenty-nine hundredths percent (2.29 %) per annum calculated based on twelve 30-day months during a 360-day year.

2. Payment Dates and Amounts.

Date	Principal	Coupon	Interest	Total P+I
09/21/2021	8,879.10	-	-	8,879.10
09/21/2022	6,327.55	2.290%	2,551.54	8,879.09
09/21/2023	34,241.01	2.290%	2,406.64	36,647.65
09/21/2024	35,025.13	2.290%	1,622.52	36,647.65
09/21/2025	35,827.21	2.290%	820.44	36,647.65
Total	\$120,300.00	-	\$7,401.14	\$127,701.14

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

2021 Chevrolet Truck – Silverado 35 – Crew 4wd 1
VIN # 1GC4YUEYXMF235508

2021 Chevrolet Truck – Silverado 35 – Crew 4wd 1
VIN # 1GC4YUEY7MF235434

EXHIBIT C

RESOLUTION OF GOVERNING BODY

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

Whereas, The City Council (the “Governing Body”) of Harrisville City (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 Harrisville City 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 _____, 2021.

By _____

Print Name _____

Title _____

Attest:

By _____

Print Name _____

Title _____

STATE OF UTAH

)
ss.
)

COUNTY OF WEBER

I, _____ hereby certify that I am the duly qualified and acting
_____ of Harrisville City (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 August __, 2021, 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 _____, 2021.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this _____ day of _____, 2021.

By _____

Print Name _____

Title _____

EXHIBIT D
Opinion of Lessee's Counsel

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

As counsel for Harrisville City ("Lessee"), I have examined duly executed originals of the Lease/Purchase Agreement (the "Lease") dated this 21st day of September, 2021, between the Lessee and ZIONS BANCORPORATION, N.A., Salt Lake City, Utah ("Bank"), and the proceedings taken by Lessee to authorize and execute the Lease (the "Proceedings"). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a body corporate and politic, legally existing under the laws of the State of 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 Certificates of Title showing ZIONS BANCORPORATION, N.A. as the lien holder]

EXHIBIT F
DELIVERY AND ACCEPTANCE CERTIFICATE

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

Reference is made to the Lease/Purchase Agreement between the undersigned (“Lessee”), and ZIONS BANCORPORATION, N.A. (the “Bank”), dated September 21, 2021 , (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 vehicles identification 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:

HARRISVILLE CITY

By: _____
(Authorized Signature)

Date: _____



HARRISVILLE CITY

363 West Independence • Harrisville, Utah 84404 • (801) 782-4100

MAYOR:

Michelle N. Tait

COUNCIL MEMBERS:

Grover Wilhelmsen

Steve Weiss

Blair Christensen

Max Jackson

Kenny Loveland

Memorandum

To: Harrisville Mayor and City Council
From: Jennie Knight
Date: September 9, 2021
Re: Surplus Vehicles

This Memorandum is for authorization to surplus two (2) 2015 Ford F-150 Trucks which will be removed from service with the Police Department. These vehicles will be sold at fair market value or auctioned.

**HARRISVILLE CITY
ORDINANCE 526**

A-1 (AGRICULTURAL) ZONE AMENDMENTS

**AN ORDINANCE OF HARRISVILLE CITY, UTAH, AMENDING THE A-1
(AGRICULTURAL) USE STANDARDS IN THE A-1 (AGRICULTURAL)
ZONE; SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, Harrisville City is a municipal corporation, duly organized and existing under the laws of the State of Utah;

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

WHEREAS, Utah Code Annotated Title 10 Chapter 9a enables municipalities to regulate land use and development;

WHEREAS, the City has adopted Commercial Use Standards to governing land use within the City;

WHEREAS, the City desires to amend Residential Use Standards of Harrisville City as indicated herein;

WHEREAS, after publication of the required notice the planning commission held its public hearing on August 11, 2021, to take public comment on the proposed ordinance, after which the commission gave its recommendation to approve this Ordinance;

WHEREAS, the council received the recommendation from the planning commission and held its public meeting on September 14, 2021;

NOW, THEREFORE, be it ordained by the City Council of Harrisville as follows:

Section 1: 11.08.020 Uses

4. Any use in the following table is permitted if such use has a "P" designation in the zone where the use is listed. A "C" designation indicates that a conditional use permit is required according to the procedures of Chapter 11.18 of this Land Use Ordinance before the use can be allowed. An "N" indicates the use is not allowed in the specific zone where it is listed. If the last column in the use table includes a number this refers to a section in chapter 15 to a specific regulation that is required to be followed in order to allow the use in the specific zone.

Land Use	Zone				Specific Use Regulation
	A-1	R-1-20	RE-15	R-1-10	
Animal Raising					
Veterinarian Clinic	P	N	N	N	11.09.020 11.10.020

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

Section 3: Effective date. This ordinance shall be effective immediately upon posting after final passage, approval, and posting.

PASSED AND ADOPTED by the City Council on this _____ day of _____, 2021.

MICHELLE TAIT, Mayor
Harrisville City

ATTEST:

JENNIE KNIGHT
City Recorder

RECORDED this _____ day of _____, 2021.
PUBLISHED OR POSTED this _____ day of _____, 2021.

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provision of U.C.A. §10-3-713, 1953 as amended, I, the municipal recorder of Harrisville City, hereby certify that foregoing ordinance was duly passed and published, or posted at 1)City Hall,2)Martin Henderson Harris Cabin and 3) 2150 North on the above referenced dates.

City Recorder

DATE: _____

**HARRISVILLE CITY
ORDINANCE 527**

INTERNAL ACCESSORY DWELLING UNIT REGULATIONS

**AN ORDINANCE OF HARRISVILLE CITY, UTAH, ADOPTING INTERNAL
ACCESSORY DWELLING REGULATIONS IN THE LAND USE ORDINANCE;
SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, Harrisville City (“City”) is a municipal corporation, duly organized and existing under the laws of the State of Utah;

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

WHEREAS, Title 10, Chapter 9a, of the *Utah Code Annotated*, 1953, as amended, enables municipalities to regulate land use and development;

WHEREAS, after publication of the required notice the Planning Commission held its public hearing on August 11, 2021, to take public comment on this proposed Ordinance, and subsequently gave its recommendation to approve this Ordinance;

WHEREAS, the City Council received the recommendation from the planning commission and held its public meeting on September 14, 2021, and desires to act on this Ordinance;

NOW, THEREFORE, be it ordained by the City Council of Harrisville City as follows:

Section 1. Repealer. Any Ordinance that conflict with this Ordinance is repealed.

Section 2. Amendment. The following Section is adopted to read as follows:

Section: 11.20.260. Internal Accessory Dwelling Units.

1. **Eligibility.** In accordance with Utah Code 10-9a-530.1a, an internal Accessory Dwelling Unit (ADU) is eligible for a permit if such ADC is:
 - a. Located in the primary dwelling;
 - b. Placed within the footprint of the primary dwelling as described in state law at the time the ADU created;
 - c. Not used for vacation rental or short-term rental; and,
 - d. Used only for residential long-term rental of thirty (30) consecutive days or longer.
2. **Local Requirements.** In accordance with Utah Code 10-9a-530-4, the City:
 - a. Does not require the installation of a separate utility meter for an ADU.
 - b. Each ADU shall be designed in a manner that does not change the appearance of the primary dwelling as a single-family dwelling.
 - c. The owner of the primary dwelling creating an ADU shall:
 - i. Include one additional parking on-site parking space, regardless of whether the primary dwelling is existing or new construction; and
 - ii. Replace all parking spaces contained within a garage or carport converted to an ADU.

3. Limitations. The following limitations apply to the creation or occupancy of any ADU:
 - a. Only one (1) ADU per primary dwelling is permitted consistent with this section.
 - b. No ADU shall be created or occupied within a mobile home as defined under Utah Code 57-16-3.
 - c. No ADU shall be created or occupied without the owner of the primary dwelling obtaining all permits and licenses for the ADU from the City and any other affected entity.
 - d. ~~No ADU will be approved in any agriculture zone.~~
 - e. No ADU will be approved where the primary dwelling is served by a failing septic tank.
 - f. No ADU shall be created or occupied where the primary dwelling is six-thousand (6,000) square feet or less in size.
 - g. No external accessory dwelling unit are allowed.
 - h. No ADU shall be created or occupied unless the primary dwelling parcel or lot is also used as the owner's primary dwelling.
4. Licensing. The owner of any ADU shall obtain a business license in accordance with Title 3 and Chapter 3.15 of the municipal code.

Section 3: **Severability.** If a court of competent jurisdiction determines that any part of this Ordinance is unconstitutional or invalid, then such portion of this Ordinance, or specific application of this Ordinance, shall be severed from the remainder, which shall continue in full force and effect.

Section 4: **Effective date.** This Ordinance takes effect immediately upon adoption and posting.

PASSED AND ADOPTED by the City Council on this _____ day of _____, 20____.

MICHELLE TAIT,
Mayor

ATTEST:

JENNIE KNIGHT
City Recorder

RECORDED this _____ day of _____, 20____.

PUBLISHED OR POSTED this _____ day of _____, 20____.

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provision of U.C.A. §10-3-713, 1953 as amended, I, the municipal recorder of Harrisville City, hereby certify that foregoing ordinance was duly passed and published, or posted at 1) City Hall 2) 2150 North and 3) The Cabin on the above referenced dates.

DATE: _____
City Recorder

**HARRISVILLE CITY
RESOLUTION 21-12**

DEPARTMENT HEAD PERSONNEL POLICY MANUAL AMENDMENTS

**A RESOLUTION OF HARRISVILLE CITY, UTAH, AMENDING
THE HARRISVILLE CITY PERSONNEL POLICIES AND
PROCEDURES MANUAL RELATING TO DEPARTMENT
HEADS; AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, Harrisville City (hereafter "City") is a municipal corporation duly organized and existing under the laws of the state of Utah;

WHEREAS, the City Council is authorized to adopt personnel policies and procedures for the effective and efficient administration of municipal government;

WHEREAS, the City Council adopted its current *Personnel Policies and Procedures Manual* on April 28, 2009, and has made various amendments to the same;

WHEREAS, the City Council desires to amend its personnel policies and procedures manual to achieve greater efficiency, realize cost savings, and further define employee province;

NOW, THEREFORE, be it resolved by the City Council of Harrisville City, Utah, that the Policies and Procedures Manual is hereby amended to read as follows:

B-1-11 Department Heads

2. Severance for a department head terminated without cause by the city council shall include 6 months' pay, plus one month pay for each year of service for a maximum total of one year severance pay. A Department Head terminated with cause shall not be eligible for severance. The city council may authorize the severance provided in this paragraph, or as otherwise provided by the city council, at the discretion of the city council for any department head not terminated and leaving employment for any other reason.

Effective Date.

This Resolution shall be effective immediately upon passage and adoption.

PASSED AND ADOPTED this _____ day of _____, 2021.

HARRISVILLE CITY:

MICHELLE TAIT, Mayor

ATTEST:

JENNIE KNIGHT, City Recorder

Roll Call Vote:	Yes	No
Mr. Wilhelmsen	____	____
Mr. Weiss	____	____
Mr. Christensen	____	____
Mr. Jackson	____	____
Mr. Loveland	____	____