COTTONWOOD HEIGHTS

RESOLUTION NO. 2012-32

A RESOLUTION APPROVING ENTRY INTO A GOVERNMENTAL LEASE-PURCHASE AGREEMENT WITH ZIONS FIRST NATIONAL BANK FOR THE LEASE OF POLICE VEHICLES AND ASSOCIATED EQUIPMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF ALL RELATED DOCUMENTS AND THE TAKING OF ALL REQUIRED ACTIONS

WHEREAS, the city of Cottonwood Heights (the "*City*") is a Utah municipality authorized by Utah law to lease property for the benefit of the City and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the City formed the Cottonwood Heights Police Department ("*CHPD*") to provide law enforcement within the City, and desires to lease vehicles and associated equipment (collectively, the "*Vehicles*") for CHPD's use in performing that essential governmental function; and

WHEREAS, in order to lease the Vehicles, the City proposes to enter into a "Governmental Lease Purchase Agreement" (with all related documents and exhibits, the "*Agreement*") with Zions First National Bank (the "*Lessor*"); and

WHEREAS, the City's municipal council (the "*Council*") met in regular session on 10 July 2012 to consider, among other things, approving the City's entry into the Agreement; and

WHEREAS, the Council has reviewed the form of the Agreement, a photocopy of which is annexed hereto; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interests of the City and its efficient administration, and the health, safety and welfare of the City's residents, to approve the City's entry into the Agreement as proposed;

NOW, THEREFORE, BE IT RESOLVED by the city council of the city of Cottonwood Heights as follows:

Section 1. **Approval of Agreement**. The form, terms and provisions of the Agreement are hereby approved in substantially the form attached to this resolution (this "*Resolution*"), with such insertions, omissions and changes as shall be approved by the City's mayor in consultation with the City's manager and attorney. The execution of the Agreement shall be conclusive evidence of such approval, and the City's mayor and recorder are hereby authorized and directed to execute and deliver the Agreement on the City's behalf to the other parties thereto.

Section 2. **Other Actions Authorized.** The City's officers and employees shall take all actions necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated thereby, including, without limitation, the execution and delivery of acceptance certificates, IRS forms and any tax certificate and agreement and all other documents as contemplated in the Agreement. The City's officers and employees are further authorized and directed to take all actions necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreement.

Section 3. **No General Liability.** Nothing contained in this Resolution, the Agreement, or any related document or instrument shall be construed with respect to the City as incurring a pecuniary liability or charge upon the general credit of the City or against its taxing power, nor shall the breach of any agreement contemplated by this Resolution, the Agreement, or any related documents or instrument impose any pecuniary liability upon the City or any charge upon its general credit or against its taxing power, except to the extent that the rental payments or purchase payments payable under the Agreement are special limited obligations of the City as provided in the Agreement.

Section 4. **Appointment of Authorized Representatives.** The City's manager and the manager's designee in writing from time to time are hereby designated to act as authorized representatives of the City for purposes of the Agreement until such time as the Council designates any other or different authorized representative(s) for purposes of the Agreement.

Section 5. **Qualified Tax-Exempt Obligation.** The Council hereby represents on the City's behalf that the City (including all "subordinate entities" of the City within the meaning of Section 265(b)(3)(E) of the Internal Revenue Code of 1986, as amended [the "*Code*"]) reasonably anticipates not to issue in the 2012 calendar year obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than $10,000,000.00. Pursuant to Section 265(b)(3) of the Code, the City hereby specifically designates the obligations under the Agreement as a "qualified tax-exempt obligation" with the meaning of Section 265(b)(3)(B) of the Code.

Section 6. **Severability.** If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. **Repealer**. All orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any order, resolution or ordinance or part thereof.

This Resolution, assigned no. 2012-32, shall take effect immediately upon passage.

PASSED AND APPROVED this 10th day of July 2012.

COTTONWOOD HEIGHTS CITY COUNCIL

By _____
Kelvyn H. Cullimore, Jr., Mayor

ATTEST:

_____
Linda W. Dunlavy, Recorder

VOTING:

Kelvyn H. Cullimore, Jr.	Yea ✓	Nay ___
Michael L. Shelton	Yea ✓	Nay ___
J. Scott Bracken Absent	Yea ___	Nay ___
Michael J. Peterson	Yea ✓	Nay ___
Tee W. Tyler	Yea ✓	Nay ___

DEPOSITED in the office of the City Recorder this 10th day of July 2012.

RECORDED this 11 day of July 2012.

581184.1.1

INVOICING PROCEDURES

Re: Governmental Lease-Purchase Dated July 17, 2012

With

Cottonwood Heights, Utah

Please provide us with the name, address, and phone number of the appropriate personnel we can contact regarding invoicing and payments:

(Name of Contact)	Steve Fawcett, Director of Finance
(Address)	1265 East Fort Union Blvd. Suite 250 Cottonwood Heights, UT 84047
(Phone)	(801) 944-7012
(Fax)	(801) 944-7005
(Email)	sfawcett@cottonwoodheights.utah.gov

GOVERNMENTAL LEASE-PURCHASE AGREEMENT

Name and Address of Lessee:	**Lessor:**
Cottonwood Heights **1265 East Fort Union Blvd. Suite 250** **Cottonwood Heights, Utah 84047**	**Zions First National Bank** **One South Main Street** **Salt Lake City, Utah 84111**

1. LEASE. Lessor hereby agrees to lease to Lessee, and Lessee hereby agrees to lease from Lessor, the personal property described in the Supplement attached to this Governmental Lease and hereby made a part hereof (collectively the "Lease") upon the terms and conditions set forth in this Lease (such property together with all replacements, repairs and additions incorporated therein or affixed thereto being referred to herein as "Equipment"). The execution by Lessee of this Lease shall evidence a determination by the Lessee that the Equipment is essential to its proper, efficient and economic operation, that Lessee desires to enter into this Lease for the acquisition of that Equipment under the terms hereof, that the Equipment is necessary for the governmental functions of Lessee, and that Lessor is neither the manufacturer nor a dealer or merchant of said Equipment, but has agreed to provide the funding for and on behalf of Lessee for the acquisition of said Equipment under the terms hereof at the specific request of Lessee.

2. DELIVERY AND ACCEPTANCE. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a Delivery and Acceptance Certificate (herein so called) in the form to be provided by Lessor.

3. TERM. The term of this Lease shall begin the date the Equipment is accepted by Lessee (the "Acceptance Date") and shall continue unless earlier terminated as provided herein. The Acceptance Date shall be recorded on the Supplement.

4. RENT. Lessee shall pay as rent for the full term of this Lease the amount shown in the Supplement as Total Rent, and a portion of each rent payment is paid as, and represents the payment of interest and Exhibit "A" attached to the Supplement sets forth the interest component of each rent payment during the term. The Total Rent shall be payable in installments each in the amount of the basic rental payment set forth in Exhibit A to the Supplement plus any applicable sales and use tax thereon.

Except as provided in Section 5, the obligation of Lessee to make rent payments or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all rent payments and other payments required hereunder when due and shall not withhold any rent payment or other payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such rent payments or other payments required under this Lease. Lessee's obligation to make rent payments or other payments during the Lease term shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor. Lessee reasonably believes that funds can be obtained sufficient to make all rent payments during the term of the Lease and hereby covenants that the officer of Lessee responsible for budget preparation shall request the required appropriation for each fiscal year during the term of this Lease from the governing body of Lessee and exhaust all available administrative reviews and appeals in the event such portion of the budget is not approved.

5. NON-APPROPRIATION OF FUNDS. If, notwithstanding the making in good faith of a request to the governing body of Lessee for funds to pay its obligations hereunder for any ensuing fiscal year in accordance with appropriate

procedures and Section 4 hereof, such governing body does not appropriate funds to be paid to Lessor for the Equipment, Lessee may upon prior written notice to Lessor effective 60 days after the giving of such notice or upon the exhaustion of the funding authorized for the then current fiscal year, whichever is later, return the Equipment to Lessor at Lessee's expense and thereupon be released of its obligation to make all rental payments to Lessor due after the close of the fiscal year for which funds were appropriated, provided: (i) the Equipment is returned to Lessor freight prepaid and insured to any location in the continental United States designated by Lessor in the same condition as when first delivered to Lessee, reasonable wear and tear resulting solely from authorized use thereof excepted, (ii) the foregoing notice states the failure of the governing body to appropriate the necessary funds as reason for cancellation, and (iii) the notice is accompanied by payment of all amounts then due to Lessor under this Lease. In the event Lessee returns the Equipment pursuant to the terms of this Section 5, Lessor shall retain all sums paid hereunder by Lessee.

6. REPRESENTATIONS AND WARRANTIES OF LESSEE. Lessee represents and warrants and, so long as this Lease is in effect or any part of Lessee's obligations to Lessor remain unfulfilled, shall continue to represent and warrant, that:

(a) Lessee is a state, a possession of the United States, the District of Columbia, or a political subdivision of any of the foregoing. If Lessee is incorporated, it is duly organized and existing under the constitution and laws of its jurisdiction of incorporation and will do or cause to be done all things necessary to preserve and keep such organization and existence in full force and effect.

(b) Lessee has been duly authorized by the constitution and laws of the applicable jurisdiction and by a resolution of its governing body (which resolution, if requested by Lessor, is attached hereto) to execute and deliver this Lease and to carry out its obligations hereunder.

(c) All requirements have been met, and procedures have occurred in order to ensure the enforceability of this Lease, and Lessee has complied with such public bidding requirements, if any, as may be applicable to the transactions contemplated by this Lease.

(d) The Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority and will not be used in a trade or business of any person or entity other than Lessee.

(e) Lessee has funds available and properly appropriated to pay rent until the end of its current appropriation period. Lessee has never terminated, or threatened to terminate, a lease-purchase or similar agreement for failure of its governing body to appropriate funds sufficient to perform its obligations thereunder for any fiscal year.

(f) This Lease constitutes a valid, legal and binding obligation of Lessee enforceable against Lessee in accordance with the terms hereof.

(g) Lessee will take no action that would cause the interest portion of the rent payments to become includible in gross income of the recipient for federal income tax purposes under the Internal Revenue Code of 1986 (the Code) and Treasury Regulations promulgated there under (the Regulations), and Lessee will take and will cause its officers, employees and agents to take all affirmative actions legally within its power necessary to ensure that the interest portion of the rent payments does not become includible in gross income of the recipient for federal income tax purposes under the Code and Regulations.

7. WARRANTIES. Lessee agrees that it has selected each item of Equipment based upon its own judgment and disclaims any reliance upon any statements or representations made by Lessor. LESSOR MAKES NO WARRANTY WITH RESPECT TO THE EQUIPMENT, EXPRESSED OR IMPLIED, AND LESSOR SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE AND ANY LIABILITY FOR CONSEQUENTIAL DAMAGES ARISING OUT OF THE USE OF OR THE INABILITY TO USE THE EQUIPMENT. Lessee agrees to make rental and other payments required hereunder without regard to the condition of the Equipment and to look only to persons other than Lessor such as the manufacturer, vendor or carrier thereof should any item of Equipment for any reason be

defective. So long as no Event of Default has occurred and is continuing, Lessor agrees, to the extent they are assignable, to assign to Lessee, without any recourse to Lessor, any warranty received by Lessor.

8. TITLE. Upon acceptance of the Equipment by Lessee hereunder, title to the Equipment will vest in the Lessee; provided, however, that (i) upon the occurrence of an Event of Default, as that term is defined in Section 20 hereof, (ii) in the event that the purchase option has not been exercised prior to the expiration date thereof, or (iii) in the event this Lease is terminated by Lessee pursuant to the provisions of Section 5 hereof, title will immediately vest in Lessor or its assignee. For as long as title to the Equipment is in Lessee, Lessee at its expense shall protect and defend the title and keep it free of all liens other than the rights of Lessee hereunder, and claims and liens created by or arising through Lessor. The Equipment shall remain personal property regardless of its attachment to realty and Lessee agrees to take such action at its expense as may be necessary to prevent any third party from acquiring any interest in the Equipment as a result of its attachment to realty.

9. SECURITY AGREEMENT; FURTHER ASSURANCES. To secure the performance of all Lessee's obligations hereunder, Lessee hereby grants to Lessor a security interest constituting a first lien on the Equipment and on all additions, attachments, repairs, replacements and modifications thereto or therefor, including all after-acquired equipment of Lessee, and on any proceeds therefrom. Lessor is hereby authorized to file financing statements to perfect such security interest in accordance with the Uniform Commercial Code. Lessee agrees to execute or deliver such additional documents, including, without limitation, financing statements, opinions of counsel, notices and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or appropriate to establish and maintain its security interest in the Equipment or for the confirmation or perfection of this Lease and Lessor's rights hereunder.

10. LAWS AND TAXES. Lessee shall comply with all laws and regulations relating to the Equipment and its use and shall promptly pay when due all sales, use, property, excise and other taxes and all license and registration fees now or hereafter imposed by any governmental body or agency upon the Equipment or its use or the rentals hereunder excluding, however, any taxes on or measured by Lessor's net income. Upon request by Lessor, Lessee shall prepare and file at its expense all tax returns relating to taxes for which Lessee is responsible hereunder which Lessee is permitted to file under the laws of the applicable taxing jurisdiction.

11. LESSEE NEGLIGENCE. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others, which is proximately caused by the negligent conduct of Lessee, its officers, employees and agents. Lessee hereby assumes responsibility for and agrees to reimburse Lessor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of Lessee, its officers, employees and agents to the maximum extent permitted by law.

12. ASSIGNMENT. Without Lessor's prior written consent, Lessee will not sell, assign, sublet, pledge, or otherwise encumber or permit a lien arising through Lessee to exist on or against any interest in this Lease or the Equipment or remove the Equipment from its location referred to above. Lessor may assign its interest in this Lease and sell or grant a security interest in all or any part of the Equipment without Lessee's consent. Lessee hereby appoints Lessor as Lessee's agent for purposes of maintaining a written record of all such assignments.

13. INSPECTION. Lessor may inspect the Equipment at any time and from time to time during regular business hours.

14. REPAIRS. Lessee will use the Equipment with due care and for the purpose for which it is intended. Lessee will maintain the Equipment in good repair, condition and working order and will furnish all parts and services required therefore, all at its expense. All such parts when furnished shall immediately become part of the Equipment for all purposes hereof.

15. LOSS OR DAMAGE. In the event any item of Equipment shall become lost, stolen, destroyed, damaged beyond repair or rendered permanently unfit for use for any reason, or in the event of condemnation or seizure of

any item of Equipment, Lessee shall promptly pay Lessor (a) the amount of all rent and other amounts payable by Lessee hereunder with respect to such item due but unpaid at the date of such payment, plus (b) the amount stated in the Supplement or Exhibit A thereto as the Termination Balance. Upon payment of such amount to Lessor, such item shall become the property of Lessee, Lessor will transfer to Lessee, without recourse or warranty, all of Lessor's right, title and interest therein, the rent with respect to such item shall terminate, and the basic rental payments on the remaining items shall be reduced accordingly. Lessee shall pay any sales and use taxes due on such transfer. Any insurance or condemnation proceeds received shall be credited to Lessee's obligation under this Section and Lessee shall be entitled to any surplus.

16. INSURANCE. Lessee shall obtain and maintain on or with respect to the Equipment at its own expense (a) liability insurance against liability for bodily injury and property damage with a minimum limit of $500,000 combined single limit and (b) physical damage insurance insuring against loss or damage to the Equipment in an amount not less than the full replacement value of the Equipment or the amount stated in the Supplement or an exhibit thereto as the Termination Balance whichever is greater. Lessee shall furnish Lessor with certificate of insurance evidencing the issuance of a policy or policies to Lessee in at least the minimum amounts required herein, naming Lessor as an additional insured thereunder for the liability coverage and as loss payee for the property damage coverage. Each such policy shall be in such form and with such insurers as may be satisfactory to Lessor, and shall contain a clause requiring the insurer to give to Lessor at least 10 days prior written notice of any alteration in the terms of such policy or the cancellation thereof, and a clause specifying that no action or misrepresentation by Lessee shall invalidate such policy. Lessor shall be under no duty to ascertain the existence of or to examine any such policy or to advise Lessee in the event any such policy shall not comply with the requirement thereof.

17. RETURN OF THE EQUIPMENT. Upon the termination of this Lease pursuant to Section 5 or Section 21 hereof Lessee will immediately deliver the Equipment to Lessor in the same condition as when delivered to Lessee, ordinary wear and tear excepted, at such location within the continental United States as Lessor shall designate. Lessee shall pay all transportation and other expenses relating to such delivery.

18. ADDITIONAL ACTION. Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may request in order to more effectively carry out the intent and purpose of this Lease. Lessee will furnish, from time to time on request, a copy of Lessee's latest annual balance sheet and income statement.

19. LATE CHARGES. If any installment of basic rent is not paid when due or within 5 days thereafter, Lessor may impose a late charge of up to 5% of the amount of the installment, but in any event not more than permitted by applicable law. Rent payments thereafter received shall be applied first to delinquent installments and then to current installments.

20. DEFAULT. Each of the following events shall constitute an "Event of Default" hereunder: (a) Lessee shall fail to pay when due any installment on basic rent; (b) Lessee shall fail to observe or perform any other agreement to be observed or performed by Lessee hereunder and the continuance thereof for 10 calendar days following written notice thereof by Lessor to Lessee; (c) any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false or misleading in any material respect; or (d) Lessee shall voluntarily file, or have filed against it involuntarily, a petition for liquidation, reorganization, adjustment of debt, or similar relief under the federal or state bankruptcy code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver, or liquidator shall be appointed of it or all of a substantial part of its assets.

21. REMEDIES. Whenever any event of default referred to in Section 20 hereof shall have happened and be continuing with respect to the Equipment, Lessor shall have the right at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) Lessor, with or without terminating this Lease may declare all rent payments due or to become due during the fiscal year in effect when the default occurs to be immediately due and payable by Lessee, whereupon such rent payments shall be immediately due and payable.

(b) Lessor, with or without terminating this Lease, may repossess the Equipment by giving Lessee written notice to deliver the Equipment to Lessor, whereupon Lessee shall do so in the manner provided in Section 17; or in the event Lessee fails to do so within 10 days after receipt of such notice, Lessor may enter upon Lessee's premises where the Equipment is kept and take possession of the Equipment and charge Lessee for costs incurred in repossessing the Equipment, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession. If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Termination Balance of the Equipment as set forth in the Supplement or Exhibit A thereto (less credit for proceeds of insurance remaining after subtraction of Lessor's costs with respect to the collection thereof), to Lessor. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the rent payments due during the fiscal year then in effect. If this Lease has not been terminated, Lessor shall return the Equipment to Lessee at Lessee's expense when the event of default is cured.

(c) If Lessor terminates this Lease and takes possession of the Equipment, Lessor shall within 30 days thereafter use its best efforts to sell the Equipment or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable state laws. Lessor shall apply the proceeds of such sale to pay the following items in the following order: (i) all costs incurred in securing possession of the Equipment; (ii) all expenses incurred in completing the sale; (iii) the applicable Termination Balance of the Equipment; and (iv) the balance of any rent payments owed by Lessee during the fiscal year then in effect. Any sale proceeds remaining after the requirements of clauses (i), (ii), (iii) and (iv) have been met may be retained by Lessee.

(d) If the proceeds of sale of the Equipment are not sufficient to pay the balance of any rent payments owned by Lessee during the fiscal year then in effect Lessor may take any other remedy available at law or in equity to require Lessee to perform any of its obligations hereunder.

22. NOTICES. Any written notice hereunder to Lessee shall be deemed to have been given when delivered personally or deposited in the United States mails, postage prepaid, addressed to Lessee at its address set forth above or at such other address as may be last known to Lessor.

23. PREPAYMENT. This Lease maybe prepaid in whole, but not in part, and on any date with 45 days written notice to Lessor, upon payment of all rent payments then due.

24. SURVIVAL. Lessee's obligations under Section 10 shall survive termination of this Lease.

25. MISCELLANEOUS. Any provision of this Lease, which is unenforceable in any jurisdiction shall, as to jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Lease, and any such unenforceability in any jurisdiction shall not render unenforceable such provision in any other jurisdiction. This Lease shall in all respects be governed by, and construed in accordance with, the substantive: laws of the state in which the Lessee is located.

Dated: July 17, 2012

Lessee: Cottonwood Heights, Utah

By: _____

Its: Mayor

Attest:

By: _____

Its: City Recorder

Lessor: Zions First National Bank

By: _____

Its: Vice President

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

Certificate of Insurance

Coverage is provided for the following Named Insured:

Name of Insured
Cottonwood Heights

Street Address
1265 East Fort Union Blvd. Suite 250

City	State	Zip
Cottonwood Heights	Utah	84047

DETAILED DESCRIPTION AND LOCATION OF EQUIPMENT COVERED

Governmental Lease Purchase dated July 17, 2012 for list of vehicles for City use

DESCRIPTION OF COMPREHENSIVE GENERAL LIABILITY INSURANCE

Insurance Company (not agency)	Policy Number	Effective Date	Expiration Date

BODILY INJURY LIABILITY		PROPERTY DAMAGE L1ABILIITY	
Single Claim / Each Occurrence	Aggregate	Each Occurrence	Aggregate
$500,000.00			

_____, its successors and assigns, is endorsed as an Additional Insured on the Comprehensive General Liability insurance described above: _X_ Yes __No

DESCRIPTION OF COMPREHENSIVE GENERAL LIABILITY INSURANCE

Insurance Company	Policy Number	Effective Date	Expiration Date

The Physical Damage Insurance issued in the amount of _____ consists of:

Fire and Extended Coverage including Vandalism, Malicious Mischief and Theft

All Risk Insurance with the following exceptions:

_____, its successors and assigns, is endorsed as Loss Payee on the Physical Damage Insurance described above: X Yes _No

The Policy, as to the interest of Loss Payee, shall not be invalidated by any act of omission or commission or neglect or misconduct of the Named Insured at any time, not by any foreclosure or other proceeding or notice of sale relating to the insured property, not by any change in the title or ownership thereof or the occupation of the premises for purposes more hazardous than are permitted by the Policy provided, that in case the Named Insured shall fail to pay any premium due under the Policy, Loss Payee may, at its option, pay such premium.

The Policy may be canceled at any time by either Insurer or Named Insured according to its provisions, but in any such case the Policy shall continue in full force and effect for the exclusive benefit of loss Payee for ten days after written notice to Loss Payee of such cancellation and shall then cease.

Lease dated July 17, 2012

Agency Name

Street Address	City	State	Zip

Signature of Agent	Agent Telephone Number	Date

DELIVERY AND ACCEPTANCE CERTIFICATE

TO: Zions First National Bank

RE: GOVERNMENTAL LEASE-PURCHASE AGREEMENT DATED JULY 17, 2012 AND SUPPLEMENT DATED JULY 17, 2012

FOR: VEHICLES

I am duly qualified and acting as the officer identified below of Cottonwood Heights, Utah (the "Lessee"); and, with respect to the Governmental Lease-Purchase Agreement dated July 17, 2012 and Supplement thereto dated July 17, 2012 (the "Lease"), by and between Lessee and Zions First National Bank (the "Lessor"), that:

1. The equipment described in the Lease (the "Vehicles") will be delivered and installed in accordance with Lessee's specifications and has been accepted by Lessee as of the Acceptance Date shown on the Supplement.

2. The rent payments provided for in such Supplement or Exhibit A thereto shall commence payments July 17, 2013 and thereafter, in the amounts shown thereon.

3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all rent payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all rent payments due and payable during such current fiscal year.

4. Lessee is exempt from all personal property taxes and is exempt from sales and/or use taxes with respect to the Equipment and the rent payments.

5. During the Lease term the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

Police protection and transportation within Cottonwood Heights, Utah and elsewhere in accordance with applicable mutual aid agreements, interlocal agreements, police policies and Utah law.

6. To my actual knowledge without due diligence, there is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the lease; the proper authorization, approval and execution of the Lease and other documents contemplated thereby; the appropriation of moneys, or any other action taken by Lessee to provide moneys, sufficient to make rent payments coming due under the Lease in Lessee's current fiscal year; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

7. The reasonably anticipated amount of tax-exempt obligations issued by Lessee during the current calendar year (other than obligations described in Section 265(b)(3)(C)(ii) of the Internal Revenue Code of 1986, as amended (the "Code") does not exceed $10,000,000. The Lease is hereby designated by Lessee as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Code. In no event will Lessee designate in the current calendar year more than $10,000,000 of its tax exempt obligations as such "qualified tax-exempt obligations".

Dated: July 17, 2012

Cottonwood Heights, Utah
Lessee

By: _____

Name: Kelvyn H. Cullimore, Jr.

Title: Mayor

Attest:

By: _____

Name: Linda W. Dunlavy

Title: City Recorder

EXHIBIT A

INCUMBENCY CERTIFICATE

I do hereby certify that I am the duly elected or appointed and acting City Recorder of Cottonwood Heights, Utah, a political subdivision or agency duly organized and existing under the laws of the State of Utah, that I have custody of the records of such entity, and that, as of the date hereof, the individuals named below are the duly elected or appointed officers of such entity holding the offices set forth opposite their respective names. I further certify that (1) the signatures set opposite their respective names and titles are their true and authentic signatures and (2) such officers have the authority on behalf of such entity to enter into that certain Governmental Lease-Purchase Agreement dated July 17, 2012 and Supplement thereto between such entity and Zions First National Bank (Lessor).

NAME	TITLE	SIGNATURE
Kelvyn H. Cullimore, Jr.	Mayor	_____
Linda W. Dunlavy	City Recorder	_____

IN WITNESS WHEREOF, I have duly executed this certificate this ____ day of July, 2012.

_____
CITY RECORDER

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

SUPPLEMENT TO GOVERNMENTAL LEASE-PURCHASE AGREEMENT

Name and address of Lessee:
Cottonwood Heights
1265 East Fort Union Blvd. Suite 250
Cottonwood Heights, UT 84047

This is the Supplement to the Governmental Lease-Purchase Agreement dated July 17, 2012 between Lessor and Lessee. Pursuant to the Governmental Lease-Purchase Agreement and this Supplement, Lessor is leasing to Lessee, and Lessee is leasing from Lessor, the Equipment described below.

EQUIPMENT DESCRIPTION

Quantity	Serial Number	Vehicle Type

Location of Equipment (if different from Lessee's address		SCHEDULE OF RENT PAYMENTS		
Cottonwood Heights		Basic Rental Payments Per the Amortization	Number of Payments 2	Advance Payments 0
Acceptance Date July 17, 2012				
Term in months 24 Months		Interest Rate 1.64%	First Payment Due 7/17/2013	Final Purchase Option Price $1.00
Rental Payment Period (check one) ☐ Monthly ☒ Annually ☐ Quarterly ☐ Other – see additional provisions		FINANCE AMOUNT: $1,128,419.33		
		TOTAL RENT: $1,160,644.93		

Additional Provisions:
Two annual payments per the amortization schedule; the first on July 17, 2013, and the remaining balance on July 17, 2013

LESSOR: Zions First National Bank

By _____

Name _____

Date _____

LESSEE: Cottonwood Heights, Utah

By _____
Kelvyn H. Cullimore, Jr., Mayor

Attest _____
Linda W. Dunlavy, Recorder

Date _____

[City Attorney's Letterhead]

July 17, 2012

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

Ladies and Gentlemen:

As counsel for Cottonwood Heights, Utah ("Lessee"), I have examined the Governmental Lease-Purchase Agreement dated July 17, 2012 and Supplement dated July 17, 2012 (the "Lease"),"between the Lessee and Zions First National Bank ("Lessor"), for the purchase of vehicles for city services and such other documents, instruments and records as I have considered relevant for purposes of this opinion. Based upon such examination, and such research and investigation as I deemed necessary, I am of the opinion that:

1) Lessee is a political subdivision or agency of the State of Utah duly organized and existing under the laws of such state.

2) Lessee is authorized and has power under applicable law to enter into the Lease, and to carry out its obligations thereunder and the transactions contemplated thereby.

3) The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee, and is a valid and binding contract of Lessee enforceable in accordance with its terms except to the extent limited by state and federal laws affecting remedies and by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

4) The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public bidding and all other laws, rules and regulations of the State.

5) The execution of the Lease and the appropriation of moneys to pay the rent payments coming due thereunder do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

6) There is no litigation, action, suit or proceeding pending or before any court, administrative agency, arbitrator or governmental body, that challenges the organization or existence of Lessee; the authority of Lessee or its officers or its employees to enter into the Lease; the proper

authorization, approval and/or execution of the Lease, Exhibits thereto and other documents contemplated thereby; the appropriation of moneys to make rent payments under the Lease for the current fiscal year of Lessee; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

7) Resolution of the governing body of Lessee, was duly and validly adopted by such governing body on [July 10, 2012], and such resolution has not been amended or repealed and remains in full force and effect.

Very truly yours,

_____

Counsel for Lessee