

APPROVED

**CACHE COUNTY
COUNCIL MEETING
MINUTES
JUNE 11, 2013**

CACHE COUNTY COUNCIL

JUNE 11, 2013

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WARRANTS: Warrants for the period 04-12-2013 to 05-31-2013 were given to the Clerk for filing.

UNIT OR COMMITTEE REPORTS

- ★ **USU Extension Report** – Helen Muntz, Horticultural Educator – an internship position – reported on her responsibilities including:
- Customer service
 - Receiving samples for diagnosis
 - Master Gardeners' program
 - Community gardens in Hyde Park and Nibley
 - Jail greenhouse program
 - County Fair judging for 4-H
 - Elementary school field days in the fall
 - Pumpkin trial statewide program
 - Landscape design workshop

Muntz said her internship is for ten-months and the Horticultural Agent position vacated by Taun Beddes will be filled within the year.

Council member Robison asked if a community garden could be established somewhere in Logan City. Muntz said she is open to the idea if land with available water can be found.

PUBLIC HEARINGS, APPEALS AND BOARD OF EQUALIZATION MATTERS

PUBLIC HEARING SET: JUNE 25, 2013 – 6:00 P.M. – OPEN 2013 BUDGET

ACTION: Motion by Council member Buttars to set a Public Hearing – June 25, 2013 at 6:00 p.m. to Open 2013 Budget. White seconded the motion. The vote was unanimous, 5-0. Yeates & Zilles absent.

Council member Zilles joined the meeting.

INITIAL PROPOSAL FOR CONSIDERATION

- **Ordinance No. 2013-10 – Daug's Minor Subdivision Rezone** – Nathan Daug's requesting the rezone of the Daug's Minor Subdivision from the Agricultural (A10) Zone to the Rural 2 (RU2) Zone located on 12.82 acres at approximately 1800 South 2400 West, Young Ward – Chris Harrild observed this rezone was discussed at the last Council meeting.

(Attachment 1)

ACTION: Motion by Council member White to waive the rules and approve Ordinance No. 2013-10 – Daug's Minor Subdivision Rezone from the Agricultural (A10) Zone to the Rural 2 (RU2) Zone, etc. Buttars seconded the motion. The vote was unanimous, 6-0. Yeates absent.

Ordinance No. 2013-10: The motion passed 6-0. Yeates absent.

	BUTTARS	PETERSEN	POTTER	ROBISON	WHITE	YEATES	ZILLES	VOTES CAST
AYE	X	X	X	X	X		X	6
NAY								0
ABSTAINED								0
ABSENT						X		1

- **Ordinance No. 2013-11 – Cache Humane Society Rezone – Roland Bringhurst** requesting the rezone of 1.42 acres from the Agricultural (A10) Zone to the Commercial (C) Zone located approximately 2370 West 200 North, west of Logan City – This was a discussion item at the May 28, 2013 Council meeting.

(Attachment 2)

ACTION: Motion by Council member Zilles to waive the rules and approve Ordinance No. 2013-11 – Cache Humane Society Rezone of 1.42 acres from the Agricultural (A10) Zone to the Commercial (C) Zone, etc. The vote was unanimous, 6-0. Yeates absent.

Ordinance No. 2013-11: The motion passed 6-0. Yeates absent.

	BUTTARS	PETERSEN	POTTER	ROBISON	WHITE	YEATES	ZILLES	VOTES CAST
AYE	X	X	X	X	X		X	6
NAY								0
ABSTAINED								0
ABSENT						X		1

- **Resolution No. 2013-12- Authorization to Execute Real Property Lease Purchase Agreement with Zions First National Bank – American West Heritage Center** – Executive Lemon stated there was a budget opening in February including the budget adjustments to move forward with the purchase. A possible land trade with North Logan county-owned property cannot be considered until after the Cache County School District Bond question on the November 2013 ballot; therefore, Lemon recommends the Council approve the Lease/Purchase agreement.

Attorney Ciebien mentioned several small details of the agreement that need to be corrected including:

- effective date
- a typo on page 9
- taxes, building insurance and maintenance concerns
- consideration as a yearly budgetary matter
- notification to the IRS within fifteen days.

Council member Yeates arrived at the meeting.

Council member Petersen asked if the property is currently in greenbelt? Lemon didn't know.

Chairman Potter asked what has been done to assure this is designated as recreation property in the event the proposed land trade with the North Logan property is viable? Lemon said that issue will be addressed in the agreement between Cache County and the American West Heritage Center.

Council member Robison wondered how being designated as recreation property will affect greenbelt status of the property.

Executive Lemon recommends approval with the changes noted by Ciebien.

(Attachment 3)

ACTION: Motion by Council member White to waive the rules and approve Resolution No. 2013-12 – Authorization to Execute Real Property Lease Purchase Agreement with Zions First National Bank – American West Heritage Center – with the corrections indicated by Ciebien. Zilles seconded the motion. The vote was unanimous, 7-0.

Council member Robison wants an explanation of the greenbelt versus recreation use issue. Chairman Potter asked Executive Lemon to present the information at the next Council meeting.

- **Approval of Tax Sale Actions and Minutes** – Executive Lemon and Council member Buttars commented there were two parcels sold and one parcel was struck off to the county because it didn't sell and each recommended approval.

(Attachment 4)

ACTION: Motion by Council member Zilles to approve the Tax Sale Actions and Minutes. Robison seconded the motion. The vote was unanimous, 7-0.

- **Recommendation and Discussion on Surveyor's Office** – Executive Lemon said the group met concerning the Surveyor's Office and discussed options after the present Surveyor, Preston Ward, retires this year – should the Surveyor's Department be continued or should survey work be contracted out?

Lemon recommends beginning October 1, 2013 the county contract for survey work and distributed a handout with proposed costs for in-house or contracted survey work. He expects a savings of over 50% if the work is contracted out. There will be a probable expense of \$40,000.00 to \$50,000.00 for updating equipment.

Vice Chairman Petersen asked if there is sufficient expertise in the county to handle the county's survey needs? Lemon believes there is.

Council member Robison asked Director Runhaar if his office will be able to handle the additional services as outlined on Lemon's handout? Runhaar said they already do some of the work, doesn't foresee any problems and he doesn't know where else to shift those services.

Council member Robison suggested that the change to contract for survey work be implemented on a year's trial basis to see out it works out. Vice Chairman Petersen added the possibility of holding back the savings during the first several months of the change to contracting for survey work; if the contracting is not producing satisfactory results, the funds will be there to return to in-office survey work.

Executive Lemon asked if there are any Council members who are not comfortable with the change to contracted survey work? Chairman Potter responded he believes this is the right direction to go and the county can reconsider if it doesn't work out.

Since this is the first time this issue has come up for discussion, Council member Buttars asked for it to be an item on the next agenda.

(Attachment 5)

OTHER BUSINESS

- ✓ **Lewiston (9:15 a.m.) & Hyrum (noon) 4th of July Parades** – Yeates, Buttars and Lemon will attend the Lewiston parade and White, Zilles, Robison and Lemon will attend the Hyrum parade.
- ✓ **Logan City Pioneer Day Parade – July 24th at noon** – Petersen and Yeates will attend.
- ✓ **Canal Media Day** – Chairman Potter asked Denise Ciebien to report on the event. Ciebien said it went very well and she has not received any negative feedback regarding it.

COUNCIL MEMBER REPORTS

Craig "W" Buttars reported the Compensation Committee Meeting met and has asked Jim Smith to gather proposals for health insurance companies for the Committee's review. Potter noted they are also considering methods for possible compensation increases for employees and elected officials.

Gordon Zilles asked what has been done about the washed out intersection in the Petersboro area he mentioned at the May 14, 2013 Council meeting? Executive Lemon said the Road Department is working on it.

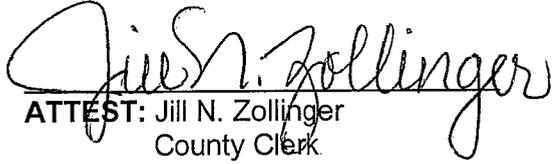
H. Craig Petersen indicated the information provided him by Lieutenant Matt Bilodeau regarding the Pay for Stay fee changes is helpful. Petersen would like to pursue whether some type of a work credit program could be used as credit towards jail inmates' housing fees.

Cache County Council
06-11-2013

Petersen announced that the Council Summer Social will be a shrimp boil on August 20, 2013 at Gordon Zilles' residence in College Ward at 6:00 p.m.

ADJOURNMENT

The Council meeting adjourned at 6:00 p.m.


ATTEST: Jill N. Zollinger
County Clerk


APPROVAL: Val Potter
Chairman

ORDINANCE NO. 2013-10

CACHE COUNTY, UTAH

DAUGS MINOR SUBDIVISION REZONE

AN ORDINANCE AMENDING THE CACHE COUNTY ZONING MAP

WHEREAS, the "County Land Use Development and Management Act," Utah Code Ann. §17-27a-101 *et seq.*, as amended (the "Act"), provides that each municipality may enact a land use ordinance and a zoning map establishing regulations for land use and development, and;

WHEREAS, pursuant to the Act, the County's Planning Commission (the "Planning Commission") shall prepare and recommend to the County's legislative body, following a public hearing, a proposed land use ordinance and a zoning map, or amendments thereto, that represent the Planning Commission's recommendations for zoning the area within the county, and;

WHEREAS, the Act also provides certain procedures for the County's legislative body to adopt or amend the land use ordinance and zoning map for the County, and;

WHEREAS, the County Council caused notice of the hearing to be advertised at least ten (10) days before the date of the public hearing in *The Herald Journal*, a newspaper of general circulation in Cache County, and;

WHEREAS, on May 2, 2013 at 5:40 P.M. the Planning Commission held a public hearing for the rezone of 12.82 acres of property from the Agricultural (A10) Zone to the Rural 2 (RU2) Zone, which meeting was preceded by all required legal notice and at which time all interested parties were given the opportunity to provide written or oral comment concerning the proposed rezone, and;

WHEREAS, on May 2, 2013 the Planning Commission recommended the approval of said rezone and forwarded such recommendation to the County Council for final action, and;

WHEREAS, on May 28, 2013, 5:30 P.M., the County Council held a public hearing to consider any comments regarding the proposed rezone. The County Council accepted all comments, and;

WHEREAS, after careful consideration of the recommendation of the Planning Commission, comments at the public hearing and other public meetings where such proposed rezone was discussed, and recommendation of County staff, the Council has determined that it is in the best interest of the health, safety and welfare of the citizens of Cache County to approve such rezone.

Disclaimer: This is provided for informational purposes only. The formatting of this ordinance may vary from the official hard copy. In the case of any discrepancy between this ordinance and the official hard copy, the official hard copy will prevail.

NOW, THEREFORE, the County Legislative Body of Cache County ordains as follows:

1. Statutory Authority.

The statutory authority for enacting this ordinance is Utah Code Annotated Sections 17-27a Part 1 and Part 3, and 17-53 Part 2 (1953, as amended to date).

2. Approval of Rezone.

The County Council hereby rezones the described portion of parcel numbers 11-117-0001, 11-117-0002, and 11-117-0003 described within Exhibit A and currently zoned as the Agricultural (A10) Zone to the Rural 5 (RU5) Zone.

3. Adoption of Amended Zoning Map.

The County Council hereby amends the County's zoning map to reflect the rezone of the Property effected by this ordinance and hereby adopts the amended zoning map that is attached as Exhibit B, of which a detailed digital or paper copy is available in the Development Services Department.

4. Findings

- A. The location of the subject property is compatible with the purpose of the proposed Rural 2 (RU2) Zone and is appropriately served by suitable public roads, has access to necessary water and utilities, and has adequate public service provision.
- B. The subject property is suitable for development within the proposed Rural 2 (RU2) Zone without increasing the need for variances or special exceptions.
- C. The subject property is suitable as a location for all of the permitted uses within the proposed Rural 2 (RU2) Zone.
- D. The subject property, when used for the permitted uses in the Rural 2 (RU2) Zone, would be compatible with adjoining land uses.
- E. The change in density within the existing Daug's Minor Subdivision is negligible.

5. Severability.

All parts of this ordinance are severable, and if any section, paragraph, clause or provision of this Ordinance shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Ordinance.

6. Prior Ordinances, Resolutions, Policies and Actions Superseded.

This ordinance amends and supersedes the Zoning Map of Cache County, and all prior ordinances, resolutions, policies, and actions of the Cache County Council to the extent that the provisions of such prior ordinances, resolutions, policies, or actions are in conflict with this ordinance. In all other respects, such prior ordinances, resolutions, policies, and actions shall remain in full force and effect.

7. Exhibits.

Exhibit A: Description/map of the affected parcel numbers 11-117-0001, 11-117-0002, and 11-117-0003

Exhibit B: Zoning Map of Cache County

Disclaimer: This is provided for informational purposes only. The formatting of this ordinance may vary from the official hard copy. In the case of any discrepancy between this ordinance and the official hard copy, the official hard copy will prevail.

8. Effective Date.

This ordinance takes effect on June 26th, 2013. Following its passage but prior to the effective date, a copy of the Ordinance shall be deposited with the County Clerk and a short summary of the ordinance shall be published in a newspaper of general circulation within the County as required by law.

APPROVED AND ADOPTED this 11th day of June, 2013.

	In Favor	Against	Abstained	Absent
Potter	X			
Buttars	X			
White	X			
Petersen	X			
Robison	X			
Yeates				X
Zilles	X			
Total	6			1

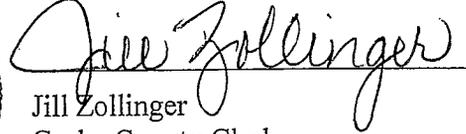
CACHE COUNTY COUNCIL



Val Potter, Chair
Cache County Council



ATTEST:



Jill Zollinger
Cache County Clerk

Publication Date:

June 26, 2013

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Exhibit A: 2013-10

OF THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SECTION 13, AND RUNNING SOUTH 33.00 FEET AND WEST 25.00 FEET TO THE TRUE POINT OF BEGINNING. THENCE S0°44'24"E 716.97 FEET ALONG THE WEST R.O.W. LINE OF 2400 WEST TO THE FLOW LINE OF SPRING CREEK. THENCE N49°02'32"W 458.48 FEET ALONG SAID LINE. THENCE S53°35'56"W 158.18 FEET ALONG SAID LINE. THENCE S40°41'07"W 124.42 FEET ALONG SAID LINE. THENCE S71°51'35"W 206.75 FEET ALONG SAID LINE. THENCE N35°46'46"W 155.11 FEET ALONG SAID LINE. THENCE N9°48'03"E 230.52 FEET ALONG SAID LINE. THENCE N89°40'32"E 280.00 FEET. THENCE N2°42'58"E 312.00 FEET TO THE SOUTH R.O.W. LINE OF 1800 SOUTH. THENCE N89°40'32"E 498.66 FEET TO THE TRUE POINT OF BEGINNING. CONTAINING 8.472 A.C.

PART OF THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SECTION 13 AND RUNNING SOUTH 42.01 FEET AND WEST 803.68 FEET TO THE TRUE POINT OF BEGINNING. THENCE S2°42'58"W 312.00 FEET. THENCE N89°40'32"E 280.00 FEET. THENCE N2°42'58"E 312.00 FEET TO THE SOUTH R.O.W. OF 1800 SOUTH. THENCE S89°40'32"W 280 FEET ALONG SAID LINE TO THE TRUE POINT OF BEGINNING. CONTAINING 2.00 A.C.

PART OF THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SECTION 13 AND RUNNING SOUTH 42.01 FEET AND WEST 803.68 FEET TO THE TRUE POINT OF BEGINNING. THENCE S2°42'58"W (SOUTH B.R.) 312.00 FEET TO THE FLOW LINE OF SPRING CREEK. THENCE N82°46'31"W 145.73 FEET ALONG SAID LINE. THENCE S13°38'11"W 174.41 FEET ALONG SAID LINE. THENCE N88°36'34"W 145.30 FEET ALONG SAID LINE. THENCE N7°30'29"E 373.55 FEET (NORTH 407.00 B.R.) TO THE SOUTH R.O.W. LINE OF 1800 SOUTH. THENCE N73°19'29"E 309.96 FEET ALONG SAID LINE TO THE TRUE POINT OF BEGINNING. CONTAINING 2.341 A.C.

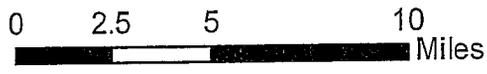
DEED TO COUNTY:
COMMENCING AT THE NORTHEAST CORNER OF SECTION 13, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING S0°00'E 33 FEET TO THE TRUE POINT OF BEGINNING. THENCE S0°44'24"E 716.97 FEET. THENCE S89°40'32"W 25.00 FEET. THENCE N0°44'24"E 716.97 FEET. THENCE N89°40'32"E 25.00 FEET TO THE TRUE POINT OF BEGINNING. CONTAINING 0.41 A.C.

11-117-0003

11-117-0002

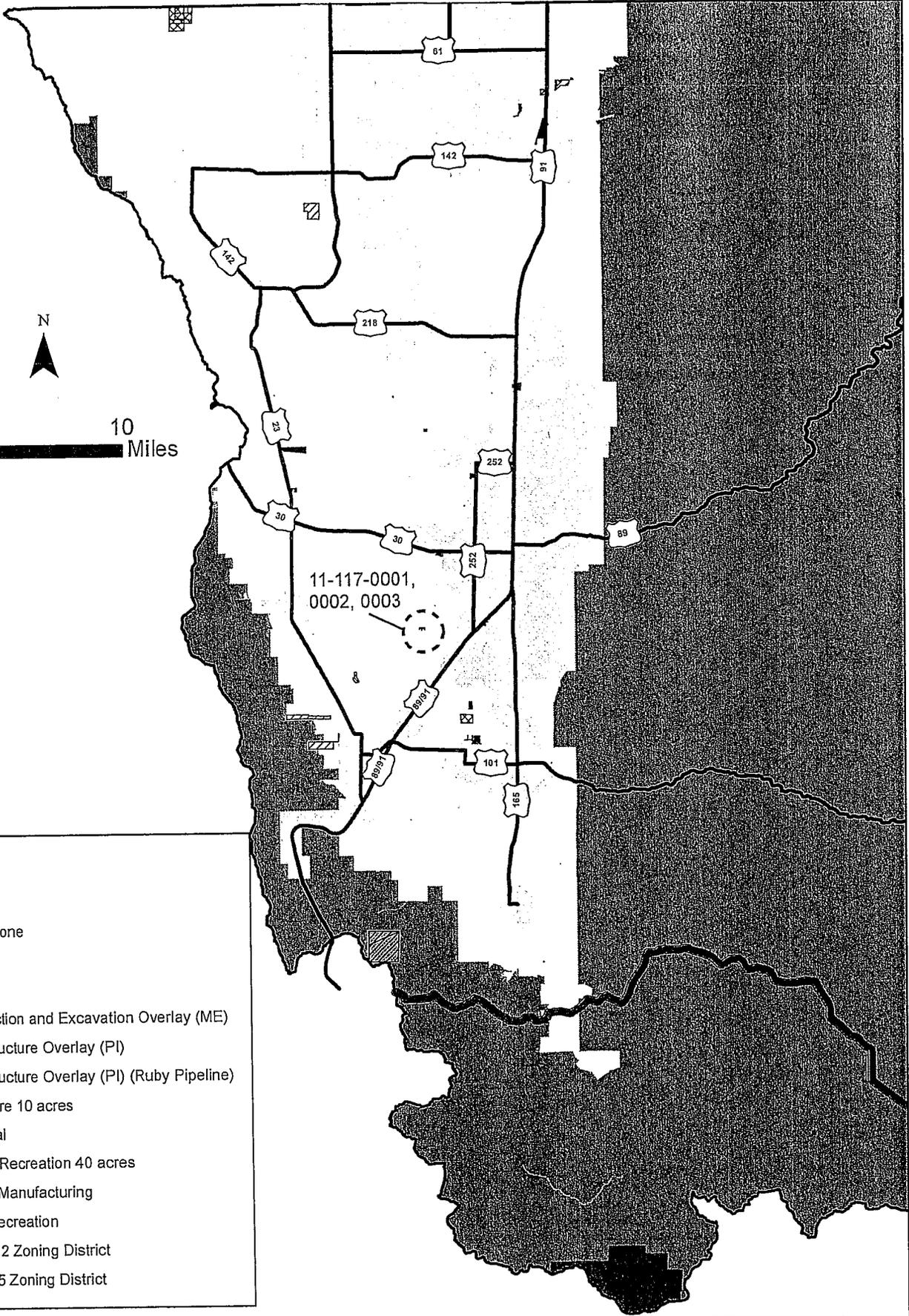
11-117-0001

Exhibit B: Ordinance 2013-10 Zoning Map of Cache County



June 2013
Legend

- Major Roads
- Proposed Rezone
- City Boundary
- Zone Type**
- Mineral Extraction and Excavation Overlay (ME)
- Public Infrastructure Overlay (PI)
- Public Infrastructure Overlay (PI) (Ruby Pipeline)
- A10: Agriculture 10 acres
- C: Commercial
- FR40: Forest Recreation 40 acres
- IM: Industrial/Manufacturing
- RR: Resort Recreation
- RU-2: Rural - 2 Zoning District
- RU-5: Rural- 5 Zoning District



ORDINANCE NO. 2013-11
CACHE COUNTY, UTAH
CACHE HUMANE SOCIETY REZONE

AN ORDINANCE AMENDING THE CACHE COUNTY ZONING MAP

WHEREAS, the "County Land Use Development and Management Act," Utah Code Ann. §17-27a-101 *et seq.*, as amended (the "Act"), provides that each municipality may enact a land use ordinance and a zoning map establishing regulations for land use and development, and;

WHEREAS, pursuant to the Act, the County's Planning Commission (the "Planning Commission") shall prepare and recommend to the County's legislative body, following a public hearing, a proposed land use ordinance and a zoning map, or amendments thereto, that represent the Planning Commission's recommendations for zoning the area within the county, and;

WHEREAS, the Act also provides certain procedures for the County's legislative body to adopt or amend the land use ordinance and zoning map for the County, and;

WHEREAS, the County Council caused notice of the hearing to be advertised at least ten (10) days before the date of the public hearing in *The Herald Journal*, a newspaper of general circulation in Cache County, and;

WHEREAS, on May 2, 2013 at 6:00 P.M. the Planning Commission held a public hearing for the rezone of 1.42 acres of property from the Agricultural (A10) Zone to the Commercial (C) Zone, which meeting was preceded by all required legal notice and at which time all interested parties were given the opportunity to provide written or oral comment concerning the proposed rezone, and;

WHEREAS, on May 2, 2013 the Planning Commission recommended the approval of said rezone and forwarded such recommendation to the County Council for final action, and;

WHEREAS, on May 28, 2013 at 5:45 P.M., the County Council held a public hearing to consider any comments regarding the proposed rezone. The County Council accepted all comments, and;

WHEREAS, after careful consideration of the recommendation of the Planning Commission, comments at the public hearing and other public meetings where such proposed rezone was discussed, and recommendation of County staff, the Council has determined that it is in the best interest of the health, safety and welfare of the citizens of Cache County to approve such rezone.

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NOW, THEREFORE, the County Legislative Body of Cache County ordains as follows:

1. Statutory Authority.

The statutory authority for enacting this ordinance is Utah Code Annotated Sections 17-27a Part 1 and Part 3, and 17-53 Part 2 (1953, as amended to date).

2. Approval of Rezone.

The County Council hereby rezones the described portion of parcel number 05-057-0008 described within Exhibit A currently zoned as the Agricultural (A10) Zone to the Commercial (C) Zone.

3. Adoption of Amended Zoning Map.

The County Council hereby amends the County's zoning map to reflect the rezone of the Property effected by this ordinance and hereby adopts the amended zoning map that is attached as Exhibit B, of which a detailed digital or paper copy is available in the Development Services Department.

4. Findings

A. The location of the subject property is compatible with the purpose of the proposed Commercial (C) Zone.

B. The subject property is suitable for development within the Commercial (C) Zone without increasing the need for variances or special exceptions within this zone.

C. The subject property is suitable as a location for all permitted uses within the proposed Commercial (C) Zone.

D. The subject property when used for the permitted uses in the Commercial (C) Zone would be compatible with the adjoining land uses.

5. Severability.

All parts of this ordinance are severable, and if any section, paragraph, clause or provision of this Ordinance shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, paragraph, clause or provision shall not affect the remaining sections, paragraphs, clauses or provisions of this Ordinance.

6. Prior Ordinances, Resolutions, Policies and Actions Superseded.

This ordinance amends and supersedes the Zoning Map of Cache County, and all prior ordinances, resolutions, policies, and actions of the Cache County Council to the extent that the provisions of such prior ordinances, resolutions, policies, or actions are in conflict with this ordinance. In all other respects, such prior ordinances, resolutions, policies, and actions shall remain in full force and effect.

7. Exhibits.

Exhibit A: Description/map of the affected parcel number 05-057-0008

Exhibit B: Zoning Map of Cache County

8. Effective Date.

This ordinance takes effect on June 26th, 2013. Following its passage but prior to the effective date, a copy of the Ordinance shall be deposited with the County Clerk and a short summary of the ordinance shall be published in a newspaper of general circulation within the County as required by law.

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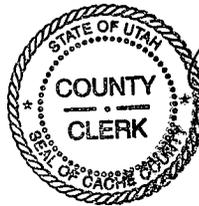
APPROVED AND ADOPTED this 11th day of June, 2013.

	In Favor	Against	Abstained	Absent
Potter	X			
Buttars	X			
White	X			
Petersen	X			
Robison	X			
Yeates				X
Zilles	X			
Total	6			1

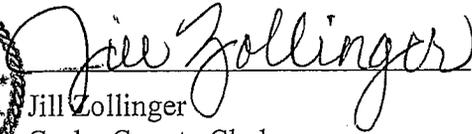
CACHE COUNTY COUNCIL



Val Potter, Chair
Cache County Council



ATTEST:



Jill Zollinger
Cache County Clerk

Publication Date:

June 26, 2013

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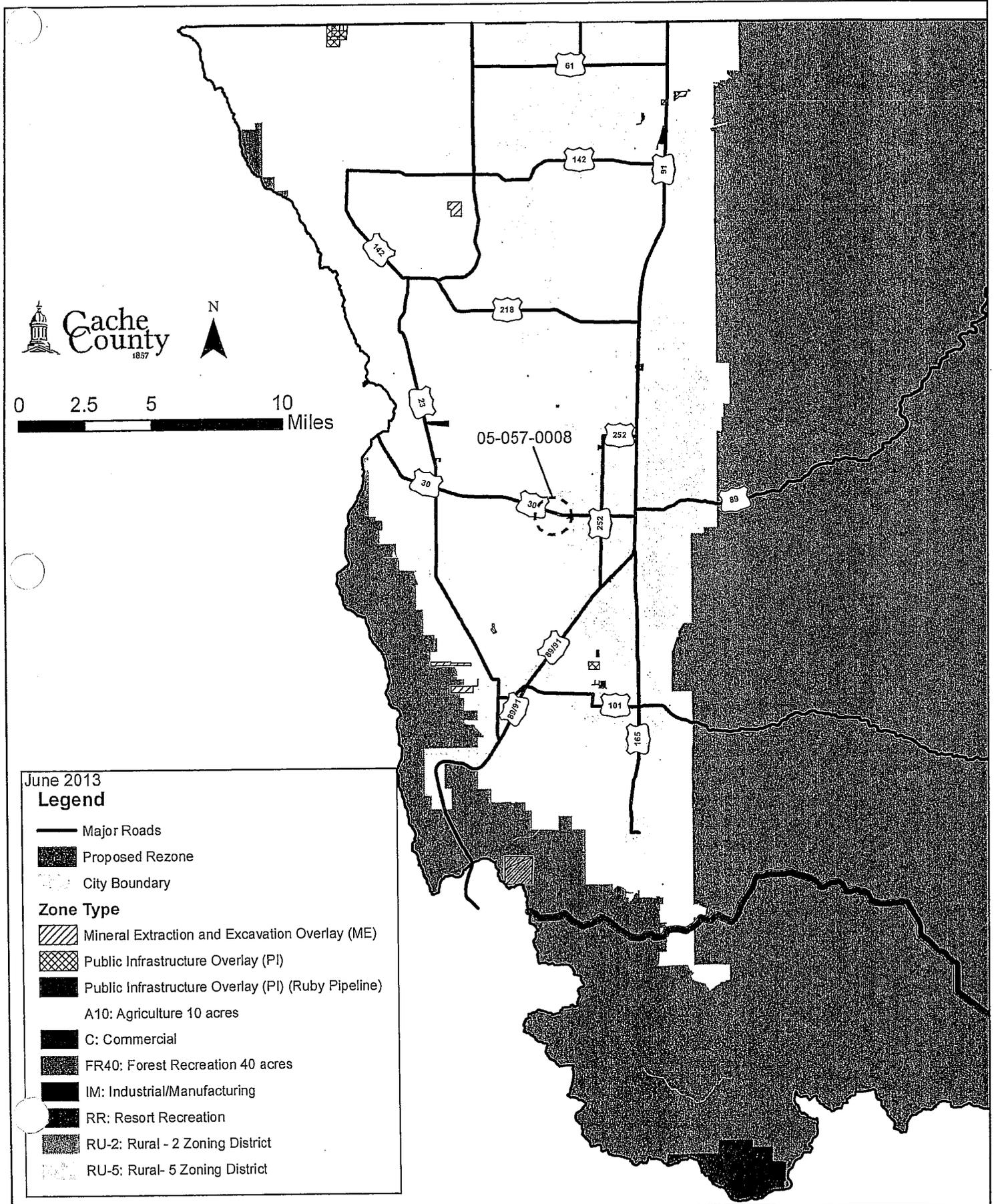
Exhibit A: 2013-11

LOT 2 CACHE COUNTY HUMANE SOCIETY SUBDIVISION DESC AS FOLL:
BEG S 89°03'13" E 201.58 FT FROM SW COR OF NW/4 OF SEC
31 T 12N R 1E & TH N 0°06'03" E 200.01 FT TO S LN OF HWY
30 TH S 72°38'35" E 410.75 FT ALG HWY TH S 74°24'36" E
89.25 FT ALG HWY TH S 0°06'03" W 61.38 FT (57.60 FT BR) TO
S LN OF NW/4 TH N 89°03'13" W 478.33 FT (473.89 FT BR)
ALG S LN TO BEG CONT 1.422 AC

05-057-0008



Exhibit B: Ordinance 2013-11 Zoning Map of Cache County



June 2013
Legend

- Major Roads
- Proposed Rezone
- - - City Boundary
- Zone Type**
- ▨ Mineral Extraction and Excavation Overlay (ME)
- ▩ Public Infrastructure Overlay (PI)
- Public Infrastructure Overlay (PI) (Ruby Pipeline)
- A10: Agriculture 10 acres
- C: Commercial
- FR40: Forest Recreation 40 acres
- IM: Industrial/Manufacturing
- RR: Resort Recreation
- RU-2: Rural - 2 Zoning District
- RU-5: Rural- 5 Zoning District

**CACHE COUNTY
RESOLUTION NO. 2013-12**

A RESOLUTION APPROVING THE FORM OF THE REAL PROPERTY LEASE PURCHASE AGREEMENT WITH ZIONS FIRST NATIONAL BANK, SALT LAKE CITY, UTAH. FINDING THAT IT IS IN THE BEST INTERESTS OF CACHE COUNTY, UTAH TO ENTER INTO SAID AGREEMENT, AND AUTHORIZING THE EXECUTION AND DELIVERY THEREOF.

Whereas, the Cache County Council (the "Governing Body") has determined that a need exists for the leasing of the real property described in the Real Property Lease Purchase Agreement presented at this meeting; and

Whereas, the Governing Body has reviewed the form of the Real Property Lease Purchase Agreement and has found the terms and conditions thereof acceptable to Cache County, Utah; and

Whereas, the Governing Body has taken the necessary steps including any legal bidding requirements, under applicable law to arrange for the Real Property Lease Purchase Agreement.

Therefore, Be it resolved by the Governing Body of Cache County, Utah as follows:

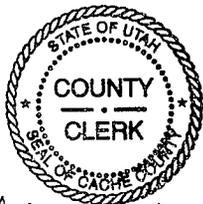
Section 1. The terms of said Real Property Lease Purchase Agreement are in the best interests of Cache County, Utah for the leasing of the real property described therein.

Section 2. The Cache County Executive and Cache County Clerk are hereby authorized to execute and deliver the Real Property Lease Purchase Agreement and any related documents necessary to the consummation of the transactions contemplated by the Real Property Lease Purchase Agreement for and on behalf of Cache County, Utah.

Section 3. The officers of the Governing Body and Cache County, Utah are hereby authorized and directed to fulfill all obligations under the terms of the Real Property Lease Purchase Agreement.

Adopted and approved this 11th day of June, 2013.

ATTEST:



By Jill N. Zollinger
Jill N. Zollinger, Cache County Clerk

By Val K. Potter
Val K. Potter, Cache County Council Chair

AFTER RECORDING RETURN TO:

KIRSI HANSEN
PUBLIC FINANCIAL SERVICES
ZIONS FIRST NATIONAL BANK
ONE SOUTH MAIN STREET, 17TH FLOOR
SALT LAKE CITY, UT 84133

LEASE/PURCHASE AGREEMENT

Dated as of June 21, 2013

by and between

ZIONS FIRST NATIONAL BANK,
as Lessor

and

CACHE COUNTY,
as Lessee

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LEASE/PURCHASE AGREEMENT

THIS LEASE/PURCHASE AGREEMENT, dated as of June 21, 2013, by and between ZIONS FIRST NATIONAL BANK, a national banking association duly organized and existing under the laws of the United States of America, as lessor (the "Bank"), and Cache County (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 and/or construction of the real property and/or improvements, and/or 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 (as herein defined), shall not extend beyond the 12-month period comprising the Lessee's then current fiscal year, and that the payment obligation of the Lessee hereunder 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.

"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.

"Environmental Law" means all federal, state or local laws, statutes, regulations, ordinances and other provisions having the force or effect of law, all judicial and administrative orders and determinations, all contractual obligations and all common law relating to public health and safety, worker health and safety, pollution, the environment, wetlands, the preservation and reclamation of natural resources or waste management, including without limitation all those relating to the presence, use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or cleanup of any hazardous materials, substances or wastes, chemical substances or mixtures, pesticides, pollutants, contaminants, toxic chemicals, petroleum products or byproducts, asbestos, solvents, urea formaldehyde, dioxins, polychlorinated biphenyls, noise or radiation, each as amended and as now or hereafter in effect. The term Environmental Law shall include (by way of illustration rather than limitation) the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Clean Air Act, 42 U.S.C. Section 7401, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. Section 9601, et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601, et seq., the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. Section 135, et seq., and the Hazardous Materials Transportation Act, 39 U.S.C. Section 1801, et seq. and any regulations, guidelines, directives or other interpretations of any such enactment, all as amended from time to time.

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

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

"Hazardous Materials" means any hazardous, dangerous or toxic chemical, waste, byproduct, pollutant, contaminant, compound, product or substance the manufacture, storage, transport, generation, use, treatment, exposure to, release, threatened release, discharge, remediation, cleanup, abatement, removal, possession, recycling, disposal or other disposition of which is prohibited or regulated (including without limitation, being subjected to notice, reporting, record keeping, or clean-up requirements) by any Environmental Law.

"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 and E 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 or Environmental 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, including without limitation, any Environmental Law, to the best of the Lessee's knowledge. Neither the Lessee nor, to the best of Lessee's knowledge, any third party, has used, generated, manufactured, stored or disposed of on, under or about the Leased Property or transported to or from the Leased Property any Hazardous Materials.

In the event Hazardous Materials are discovered, and must be removed or remediated, and to the extent permitted by applicable law, the Lessee hereby agrees to indemnify and hold harmless the Bank, and its directors, officers, shareholders, employees, and agents, and successors to the Bank's interest in the chain of title to the Leased Property, and their directors, officers, shareholders, employees, and agents, from and against any and all loss, claim, damages, expense or liability, including reasonable attorneys' fees and other litigation expenses, to the full extent of such action as attributable, directly or indirectly, to:

- (i) the presence or use of, generation, storage, release, threatened release, or disposal of Hazardous Materials by any person on, in or under the Leased Property;
- (ii) use of the Leased Property or any part thereof as a dump site, permanent or temporary storage site or transfer station for any Hazardous Materials;
- (iii) violation of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property; and
- (iv) any action or proceeding before any court, quasi-judicial body or administrative agency relating to the enforcement of any Environmental Law affecting the Leased Property or any part thereof or any activity conducted on any part of the Leased Property;

including, without limitation, all foreseeable and all unforeseeable consequential damages, directly or indirectly arising out of the use, generation, manufacture, storage, or disposal of Hazardous Materials, by the Lessee or any prior owner or operator of the Leased Property, including, without limitation, the cost of any required and necessary repair, cleanup, remediation, or detoxification and the preparation of any disclosure, or other required plans, whether such action is required or necessary prior to or following transfer of title to the Leased Property.

(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 and E hereto.

SECTION 3.2 Term. The original 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 and E 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 June 21, 2018, unless this Lease is terminated as hereinafter provided. The Original Term together with all scheduled Renewal Terms shall be referred to herein as the "Scheduled Term" irrespective of whether this Lease is terminated for any reason prior to the scheduled commencement or termination of any Renewal Term as provided herein.

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

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

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

SECTION 3.4 Lease Payments.

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

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

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

SECTION 3.5 Possession of Leased Property Upon Termination. Upon termination of this Lease pursuant to Sections 3.3(a) or 3.3(c), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property. To the extent the Leased Property is equipment or fixtures, the Lessee at the Bank's direction shall ship such Leased Property to the destination designated by the Bank by loading such 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, public liability insurance, and property damage insurance to be carried and maintained on the Leased Property, with all such coverages to be in such amounts sufficient to cover the value of the Leased Property at the commencement of this Lease (as determined by the purchase price paid for the Leased Property), and to be in such forms, to cover such risks, and with such insurers, as are customary for public entities such as the Lessee. A combination of self-insurance and policies of insurance may be utilized. If policies of insurance are obtained, Lessee will cause Bank to be the named insured on such policies as its interest under this Lease may appear. Subject to Section 4.2, insurance proceeds from insurance policies or budgeted amounts from self-insurance as relating to casualty and property damage losses will, to the extent permitted by law, be payable to Bank in an amount equal to the then outstanding principal and accrued interest components of the Lease Payments at the time of such damage or destruction as provided by Section 8.1. Lessee will deliver to Bank the policies or evidences of insurance satisfactory to Bank, if any, together with receipts for the initial premiums before the Leased Property is delivered to Lessee. Renewal policies, if any together with receipts showing payment of the applicable premiums will be delivered to Bank at least thirty (30) days before termination of the policies being renewed. By endorsement upon the policy or by independent instrument furnished to Bank, such insurer will agree that it will give Bank at least thirty (30) days' written notice prior to cancellation or alteration of the policy. Lessee will carry workmen's compensation insurance covering all employees working on, in, or about the Leased Property, and will require any other person or entity working on, in, or about the Leased Property to carry such coverage, and will furnish to Bank certificates evidencing such coverages throughout the Term of this Lease.

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have

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

SECTION 4.3 Flood Insurance. If, at any time during the term of this Lease Agreement, it is determined that any part of the Leased Property is located in a flood zone, as determined in accordance with 12 CFR Chapter 1, Part 22 or its successor (the "Flood Insurance Regulations"), the Lessee, at its own expense, shall obtain and maintain for the entire term of this Lease Agreement flood insurance covering the Leased Property in such form and amount as is required under the Flood Insurance Regulations. If at any time during the term of this Lease Agreement, the Lessee shall fail to maintain such adequate flood insurance, the Bank may, to the extent permitted by law, purchase such insurance on the Lessee's behalf, and the cost thereof shall be deemed to be additional rent payable by the Lessee on the Bank's demand as specified in Section 5.6 of this Lease Agreement. The Lessee shall provide evidence of the renewal or replacement of such flood insurance at least 15 days prior to its expiration.

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.

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. 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 First National Bank
Public Financial Services
One South Main Street, 17th Floor
Salt Lake City, Utah 84133
Attention: Mark Tsuyuki

If to the Lessee:

Cache County
199 North Main
Logan, UT 84321
Attention: M. Lynn Lemon

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.

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 FIRST NATIONAL BANK, as Lessor

By: Mark D. [Signature]
Authorized Officer

CACHE COUNTY, as Lessee

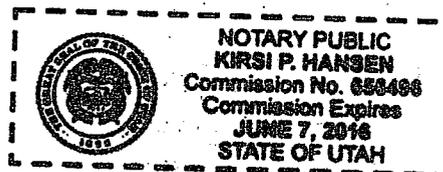
By: M. Lynn Lemon
County Executive Title

STATE OF Utah
COUNTY OF Salt Lake

On 7-1-13 before me, Kirsi P. Hansen, Notary Public, personally appeared Mark F. Tsuyuki, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Kirsi P. Hansen (Seal)



STATE OF)
COUNTY OF)

On 6/12/13 before me, Anne Winn, Notary Public, personally appeared M Lynn Lemon, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity, and that by his/her/their signature on the instrument the person, or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Anne Winn (Seal)

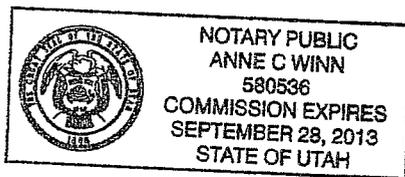


EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE*

1. **Interest.** Interest components payable on the principal amount outstanding have been computed at the rate of 1.880 percent (1.88 %) per annum calculated based on actual number of days elapsed during a 360 day year.

2. **Payment Dates and Amounts.**

Payment Date Principal Component Interest Component Total Lease Payment

[SEE ATTACHED PAYMENT SCHEDULE]

Cache County, Utah

\$538,000.00 Real Property Lease

Dated June 21, 2013

(5 Year Amortization)

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Cache County, Utah

\$538,000.00 Real Property Lease

Dated June 21, 2013

(5 Year Amortization)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
06/21/2013	-	-	-	-
06/21/2014	103,629.58	1.880%	10,114.40	113,743.98
06/21/2015	105,577.82	1.880%	8,166.16	113,743.98
06/21/2016	107,562.68	1.880%	6,181.30	113,743.98
06/21/2017	109,584.86	1.880%	4,159.12	113,743.98
06/21/2018	111,645.06	1.880%	2,098.93	113,743.99
Total	\$538,000.00	-	\$30,719.91	\$568,719.91

Yield Statistics

Bond Year Dollars	\$1,634.04
Average Life	3.037 Years
Average Coupon	1.8799997%
Net Interest Cost (NIC)	1.8799997%
True Interest Cost (TIC)	1.8799997%
Bond Yield for Arbitrage Purposes	1.8799997%
All Inclusive Cost (AIC)	2.6606555%

IRS Form 8038

Net Interest Cost	1.8799997%
Weighted Average Maturity	3.037 Years

Lease 06/21/13 5y | SINGLE PURPOSE | 6/ 5/2013 | 5:00 PM

Cache County, Utah

\$538,000.00 Real Property Lease

Dated June 21, 2013

(5 Year Amortization)

Sources & Uses

Dated 06/21/2013 | Delivered 06/21/2013

Sources Of Funds

Par Amount of Lease	\$538,000.00
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Total Sources	\$538,000.00
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Uses Of Funds

Deposit to Project Construction Fund	526,000.00
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Set-up Fee	12,000.00
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Total Uses	\$538,000.00
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Lease 06/21/13 5y | SINGLE PURPOSE | 6/ 5/2013 | 3:00 PM

ZIONS BANK  PUBLIC FINANCE

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

Purchase Vacant Land – See attached Legal Description

SERIAL NO. 11-058-0013 9 (PART OF), 11-058-0008

LEGAL DESCRIPTION

PARCEL 1

A PARCEL OF GROUND LOCATED IN SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN. DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH $02^{\circ}01'59''$ WEST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE OF 2,680.33 FEET TO A BRASS CAP MONUMENT FOUND AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE SOUTH 90° WEST ALONG A RANDOM LINE 2472.32 FEET; THENCE SOUTH $00^{\circ}33'57''$ WEST 1,875.75 FEET TO THE TRUE POINT OF BEGINNING, A POINT LOCATED IN THE CENTERLINE OF AN EXISTING DITCH; AND RUNNING THENCE NORTH $89^{\circ}21'55''$ WEST (NORTH $89^{\circ}00'$ WEST BY RECORD) 1,101.76 FEET; THENCE SOUTH $07^{\circ}28'52''$ EAST 117.89 FEET; THENCE SOUTH $12^{\circ}00'00''$ EAST 479.13 FEET; THENCE SOUTHERLY 79.34 FEET ALONG THE ARC OF A 467.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $09^{\circ}44'01''$ AND A LONG CHORD THAT BEARS SOUTH $16^{\circ}52'00''$ EAST 79.24 FEET; THENCE SOUTH $21^{\circ}44'01''$ EAST 357.65 FEET; THENCE SOUTH $45^{\circ}29'08''$ EAST 159.85 FEET; THENCE SOUTHEASTERLY 99.24 FEET ALONG THE ARC OF A 533.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $10^{\circ}40'05''$ AND A LONG CHORD THAT BEARS SOUTH $40^{\circ}09'06''$ EAST 99.10 FEET; THENCE SOUTH $34^{\circ}49'03''$ EAST 156.92 FEET; THENCE SOUTHEASTERLY 96.15 FEET ALONG THE ARC OF A 100.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF $55^{\circ}05'25''$ AND A LONG CHORD THAT BEARS SOUTH $62^{\circ}21'46''$ EAST 92.49 FEET; THENCE SOUTH $89^{\circ}54'28''$ EAST 468.63 FEET; THENCE NORTH $00^{\circ}33'57''$ EAST (NORTH BY RECORD) 1,341.77 FEET TO THE POINT OF BEGINNING.

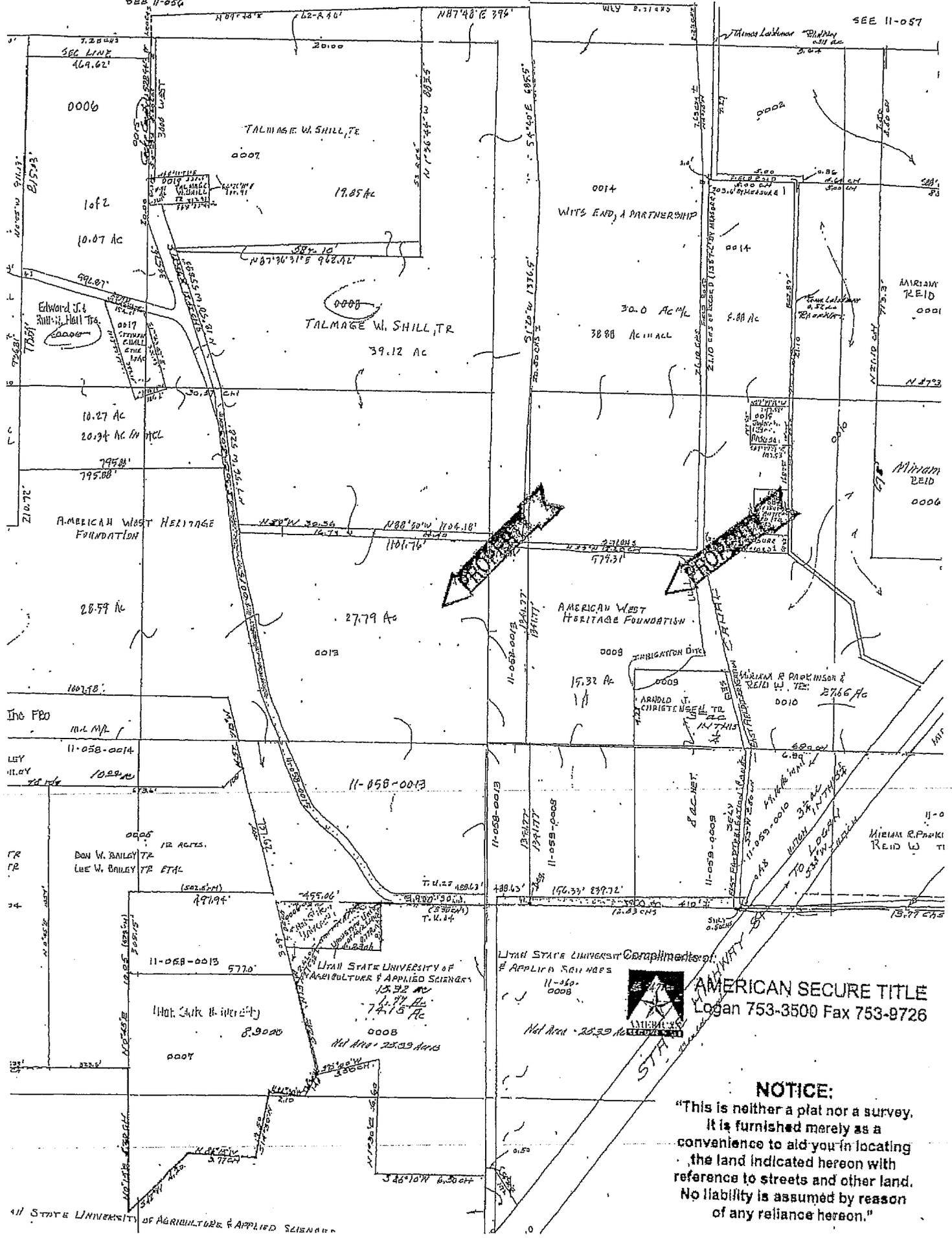
PARCEL 2

A PARCEL OF GROUND LOCATED IN SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN. DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH $02^{\circ}01'59''$ WEST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE OF 2,680.33 FEET TO A BRASS CAP MONUMENT FOUND AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE SOUTH 90° WEST ALONG A RANDOM LINE 2472.32 FEET; THENCE SOUTH $00^{\circ}33'57''$ WEST 1,875.75 FEET TO THE TRUE POINT OF BEGINNING, A POINT LOCATED IN THE CENTERLINE OF AN EXISTING DITCH; AND THENCE FOLLOWING THE CENTERLINE OF SAID DITCH THE FOLLOWING TEN COURSES, 1) SOUTH $89^{\circ}21'55''$ EAST 579.31 FEET (SOUTH $89^{\circ}00'$ EAST 617.10 FEET BY RECORD) TO THE POINT OF CURVE OF A NON TANGENT CURVE OF WHICH THE RADIUS POINT LIES SOUTH $06^{\circ}46'44''$ WEST 91.88 FEET; 2) THENCE SOUTHEASTERLY 112.64 FEET ALONG THE ARC OF A 91.88 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF $70^{\circ}14'17''$ AND A LONG CHORD THAT BEARS SOUTH $48^{\circ}06'08''$ EAST 105.72 FEET; 3) THENCE SOUTH $13^{\circ}05'35''$ EAST 85.47 FEET; 4) THENCE SOUTH $04^{\circ}37'28''$ EAST 77.77 FEET; 5) THENCE SOUTH $05^{\circ}02'50''$ EAST 74.97 FEET; 6) THENCE SOUTH $11^{\circ}29'48''$ EAST 83.81 FEET; 7) THENCE SOUTH $83^{\circ}04'50''$ WEST 51.59 FEET; 8) THENCE SOUTH $46^{\circ}08'08''$ WEST 122.34 FEET; 9) THENCE SOUTH $65^{\circ}01'09''$ WEST 117.83 FEET; 10) THENCE SOUTH $84^{\circ}12'53''$ WEST 70.37 FEET; THENCE LEAVING SAID DITCH SOUTH $00^{\circ}33'57''$ WEST (SOUTH BY RECORD) 806.46 FEET; THENCE NORTH $88^{\circ}21'12''$ WEST 239.72 FEET; THENCE NORTH $89^{\circ}54'28''$ WEST 156.33 FEET; THENCE NORTH $00^{\circ}33'57''$ EAST (NORTH BY RECORD) 1,341.77 FEET TO THE POINT OF BEGINNING

SEE 11-056

SEE 11-057



AMERICAN SECURE TITLE
 Logan 753-3500 Fax 753-8726

NOTICE:
 "This is neither a plat nor a survey,
 it is furnished merely as a
 convenience to aid you in locating
 the land indicated hereon with
 reference to streets and other land.
 No liability is assumed by reason
 of any reliance hereon."

EXHIBIT C

RESOLUTION OF GOVERNING BODY

A resolution approving the form of the Lease/Purchase Agreement with Zions First National Bank, Salt Lake City, Utah and authorizing the execution and delivery thereof.

Whereas, The County Council (the "Governing Body") of Cache County (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 Cache County 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 11 day of JUNE, 2013.

By 

Print Name VAL K. POTTER

Title COUNTY COUNCIL CHAIR

STATE OF UTAH
COUNTY OF CACHE

)
) ss.
)

I, Jill N. Zollinger hereby certify that I am the duly qualified and acting
County Clerk of Cache County (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 June 11, 2013, 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 June 12, 2013.

In witness whereof, I have hereunto set my hand on behalf of the Lessee this 12th day of June, 2013.

By Jill N. Zollinger
Print Name Jill N. Zollinger
Title Cache County Clerk

EXHIBIT D

Opinion of Lessee's Counsel

To: Zions First National Bank
One South Main Street, 17th Floor
Salt Lake City, Utah 84133

Gentlemen:

As counsel for Cache County ("Lessee"), I have examined duly executed originals of the Lease/Purchase Agreement (the "Lease") dated June 21, 2013, between the Lessee and Zions First National Bank, 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.

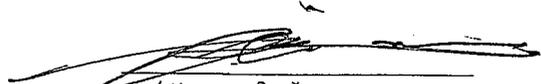
6. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property (as defined in the Lease) from the Bank under the Lease, or the acquisition and leasing of the Leased Property from the Bank under the Lease comply with all such procurement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

RECORDATION REQUESTED BY:
ZIONS FIRST NATIONAL BANK
PUBLIC FINANCIAL SERVICES
ONE SOUTH MAIN, 17TH FLOOR
SALT LAKE CITY, UT 84133

WHEN RECORDED MAIL TO:
ZIONS FIRST NATIONAL BANK
PUBLIC FINANCIAL SERVICES
ONE SOUTH MAIN, 17TH FLOOR
SALT LAKE CITY, UT 84133

SEND TAX NOTICES TO:
CACHE COUNTY CORPORATION
199 NORTH MAIN
LOGAN, UT 84321

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST AND FIXTURE FILING

THIS DEED OF TRUST is dated June 21, 2013, among CACHE COUNTY CORPORATION, whose address is 199 NORTH, LOGAN, UTAH 84321("Trustor"); ZIONS FIRST NATIONAL BANK, whose address is PUBLIC FINANCIAL SERVICES, ONE SOUTH MAIN STREET, 17TH FLOOR, SALT LAKE CITY, UT 84133 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and ZIONS FIRST NATIONAL BANK, whose address is ONE SOUTH MAIN, 17TH FLOOR, SALT LAKE CITY, UT 84133 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Trustor irrevocably grants and conveys to Trustee in trust, with power of sale, for the benefit of Lender as Beneficiary, all of Trustor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") Vacant Land located in Cache County, Utah.

SEE ATTACHED LEGAL DESCRIPTION

Trustor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Trustor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Trustor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF ANY AND ALL OBLIGATIONS UNDER THE AGREEMENT, THE RELATED DOCUMENTS, AND THIS DEED OF TRUST. THIS DEED OF TRUST, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS ALSO GIVEN TO SECURE ANY AND ALL OF TRUSTOR'S OBLIGATIONS UNDER THAT CERTAIN LEASE PURCHASE AGREEMENT BETWEEN TRUSTOR AND LENDER OF EVEN DATE HERewith. ANY EVENT OF DEFAULT UNDER THE LEASE PURCHASE AGREEMENT, OR ANY OF THE RELATED DOCUMENTS REFERRED TO THEREIN, SHALL ALSO BE AN EVENT OF DEFAULT UNDER THIS DEED OF TRUST. THIS DEED OF TRUST IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Deed of Trust, Trustor shall pay to Lender all amounts secured by this Deed of Trust as they become due, and shall strictly and in a timely manner perform all of Trustor's obligations under the Agreement, this Deed of Trust, and the Related Documents.

POSSESSION AND MAINTENANCE OF THE PROPERTY. Trustor agrees that Trustor's possession and use of the Property shall be governed by the following provisions:

DEED OF TRUST
(Continued)

Possession and Use. Until the occurrence of an Event of Default, Trustor may (1) remain in possession and control of the Property; (2) use, operate or manage the Property; and (3) collect the Rents from the Property. The following provisions relate to the use of the Property or to other limitations on the Property. This instrument is a Trust Deed executed in conformity with the Utah Trust Deed Act, UCA 57-1-19, et seq.]

Duty to Maintain. Trustor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Compliance With Environmental Laws. Trustor represents and warrants to Lender that: (1) During the period of Trustor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous

Substance by any person on, under, about or from the Property; (2) Trustor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Property by any prior owners or occupants of the Property, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) Except as previously disclosed to and acknowledged by Lender in writing, (a) neither Trustor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from the Property; and (b) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation all Environmental Laws. Trustor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Trustor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Deed of Trust. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Trustor or to any other person. The representations and warranties contained herein are based on Trustor's due diligence in investigating the Property for Hazardous Substances. Trustor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Trustor becomes liable for cleanup or other costs under any such laws; and (2) agrees to indemnify and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Deed of Trust or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Trustor's ownership or interest in the Property, whether or not the same was or should have been known to Trustor. The provisions of this section of the Deed of Trust, including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and reconveyance of the lien of this Deed of Trust and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Without otherwise limiting Trustor's covenants as provided herein, Trustor shall not without Lender's prior written consent, remove or permit the removal of sand, gravel or topsoil, or engage in borrow pit operations, or use or permit the use of the Property as a land fill or dump, or store, burn or bury or permit the storage, burning or burying of any material or product which may result in contamination of the Property or the groundwater or which may require the issuance of a permit by the Environmental Protection Agency or any state or local government agency governing the issuance of hazardous or toxic waste permits, or request or permit a change in zoning or land use classification, or cut or remove or suffer the cutting or removal of any trees or timber from the Property.

At its sole cost and expense, Trustor shall comply with and shall cause all occupants of the Property to comply with all Environmental Laws with respect to the disposal of industrial refuse or waste, and/or the discharge, processing, manufacture, generation, treatment, removal, transportation, storage and handling of Hazardous Substances, and pay immediately when due the cost of removal of any such wastes or substances from, and keep the Property free of any lien imposed pursuant to such laws, rules, regulations and orders.

Trustor shall not install or permit to be installed in or on the Property, friable asbestos or any substance containing asbestos and deemed hazardous by federal, state or local laws, rules, regulations or orders respecting such material. Trustor shall further not install or permit the installation of any machinery, equipment or fixtures containing polychlorinated biphenyls (PCBs) on or in the Property. With respect to any such material or materials currently present in or on the Property, Trustor shall promptly comply with all applicable Environmental Laws regarding the safe removal thereof, at Trustor's expense.

DEED OF TRUST
(Continued)

Trustor shall indemnify Lender and hold Lender harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that Lender may incur as a result of or in connection with the assertion against Lender of any claim relating to the presence or removal of any Hazardous Substance, or compliance with any Environmental Law. No notice from any governmental body has ever been served upon Trustor or, to Trustor's knowledge after due inquiry, upon any prior owner of the Property, claiming a violation of or under any Environmental Law or concerning the environmental state, condition or quality of the Property, or the use thereof, or requiring or calling attention to the need for any work, repairs, construction, removal, cleanup, alterations, demolition, renovation or installation on, or in connection with, the Property in order to comply with any Environmental Law; and upon receipt of any such notice, Trustor shall take any and all steps, and shall perform any and all actions necessary or appropriate to comply with the same, at Trustor's expense. In the event Trustor fails to do so, Lender may declare this Deed of Trust to be in default.

Nuisance, Waste. Trustor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Trustor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), coal, clay, scoria, soil, gravel or rock products without Lender's prior written consent.

Removal of Improvements. Trustor shall not demolish or remove any Improvements from the Real Property without Lender's prior written consent. As a condition to the removal of any Improvements, Lender may require Trustor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and Lender's agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Real Property for purposes of Trustor's compliance with the terms and conditions of this Deed of Trust.

Compliance with Governmental Requirements. Trustor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans With Disabilities Act. Trustor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Trustor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Trustor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Trustor agrees neither to abandon or leave unattended the Property. Trustor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

Construction Loan. If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any Improvements on the Property, the Improvements shall be completed no later than the maturity date of the Agreement (or such earlier date as Lender may reasonably establish) and Trustor shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by this Deed of Trust shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

DUE ON SALE - CONSENT BY LENDER. Lender may, at Lender's option, declare immediately due and payable all sums secured by this Deed of Trust upon the sale or transfer, without Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest in the Real Property; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of an interest in the Real Property.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are part of this Deed of Trust:

**DEED OF TRUST
(Continued)**

Payment. Trustor shall pay when due (and in all events prior to delinquency) all taxes, special taxes, assessments, charges (including water and sewer), fines and impositions levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Trustor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Deed of Trust, except for the lien of taxes and assessments not due and except as otherwise provided in this Deed of Trust.

Right to Contest. Trustor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Trustor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Trustor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and reasonable attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Trustor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Trustor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Trustor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Trustor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other lien could be asserted on account of the work, services, or materials. Trustor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Trustor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Deed of Trust.

Maintenance of Insurance. Trustor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgagee clause in favor of Lender. Trustor shall also procure and maintain comprehensive general liability insurance in such coverage amounts as Lender may request with Trustee and Lender being named as additional insureds in such liability insurance policies. Additionally, Trustor shall maintain such other insurance, including but not limited to hazard, business interruption, and boiler insurance, as Lender may reasonably require. Policies shall be written in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. All policies shall provide that the policies shall not be invalidated by any waiver of the right of subrogation by any insured and shall provide that the carrier shall have no right to be subrogated to Lender. Trustor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Trustor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Trustor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

Application of Proceeds. Trustor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Trustor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Trustor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Trustor from the proceeds for the reasonable cost of repair or restoration if Trustor is not in default under this Deed of Trust. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Deed of Trust, then to pay accrued interest, and the remainder, if any, shall be

**DEED OF TRUST
(Continued)**

applied to the principal balance of the Indebtedness. If Lender holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Trustor as Trustor's interests may appear.

Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Deed of Trust at any trustee's sale or other sale held under the provisions of this Deed of Trust, or at any foreclosure sale of such Property.

Compliance with Existing Indebtedness. During the period in which any Existing Indebtedness described below is in effect, compliance with the insurance provisions contained in the instrument evidencing such Existing Indebtedness shall constitute compliance with the insurance provisions under this Deed of Trust, to the extent compliance with the terms of this Deed of Trust would constitute a duplication of insurance requirement. If any proceeds from the insurance become payable on loss, the provisions in this Deed of Trust for division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the Existing Indebtedness.

Trustor's Report on Insurance. Upon request of Lender, however not more than once a year, Trustor shall furnish to Lender a report on each existing policy of insurance showing: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured, the then current replacement value of such property, and the manner of determining that value; and (5) the expiration date of the policy. Trustor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the Property.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Property or if Trustor fails to comply with any provision of this Deed of Trust or any Related Documents, including but not limited to Trustor's failure to comply with any obligation to maintain Existing Indebtedness in good standing as required below, or to discharge or pay when due any amounts Trustor is required to discharge or pay under this Deed of Trust or any Related Documents, Lender on Trustor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Property and paying all costs for insuring, maintaining and preserving the Property. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Agreement from the date incurred or paid by Lender to the date of repayment by Trustor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Agreement and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Agreement; or (C) be treated as a balloon payment which will be due and payable at the Agreement's maturity. The Deed of Trust also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Deed of Trust:

Title. Trustor warrants that: (a) Trustor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in the Existing Indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Trustor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Trustor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Trustor's title or the interest of Trustee or Lender under this Deed of Trust, Trustor shall defend the action at Trustor's expense. Trustor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Trustor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance with Laws. Trustor warrants that the Property and Trustor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Trustor in this Deed of Trust shall survive the execution and delivery of this Deed of Trust, shall be continuing in nature, and shall remain in full force and effect until such time as Trustor's Indebtedness shall be paid in full.

EXISTING INDEBTEDNESS. The following provisions concerning Existing Indebtedness are a part of this Deed of Trust:

**DEED OF TRUST
(Continued)**

Existing Lien. The lien of this Deed of Trust securing the Indebtedness may be secondary and inferior to an existing lien. Trustor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such indebtedness, any default under the instruments evidencing such indebtedness, or any default under any security documents for such indebtedness.

No Modification. Trustor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Deed of Trust by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Trustor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

CONDEMNATION. The following provisions relating to condemnation proceedings are a part of this Deed of Trust:

Notice of Proceedings. Trustor shall immediately notify Lender in writing should all or any part of the Property become subject to any condemnation or expropriation proceedings or other similar proceedings, including without limitation, any condemnation, confiscation, eminent domain, inverse condemnation or temporary requisition or taking of the mortgaged Property, or any part or parts of the Property. Trustor further agrees to promptly take such steps as may be necessary and proper within Lender's sole judgment and at Trustor's expense, to defend any such condemnation or expropriation proceedings and obtain the proceeds derived from such proceedings. Trustor shall not agree to any settlement or compromise or any condemnation or expropriation claim without Lender's prior written consent.

Lender's Participation. Lender may, at Lender's sole option, elect to participate in any such condemnation or expropriation proceedings and be represented by counsel of Lender's choice. Trustor agrees to provide Lender with such documentation as Lender may request to permit Lender to so participate and to reimburse Lender for Lender's costs associated with Lender's participation, including Lender's reasonable attorneys' fees.

Conduct of Proceedings. If Trustor fails to defend any such condemnation or expropriation proceedings to Lender's satisfaction, Lender may undertake the defense of such a proceeding for and on behalf of Trustor. To this end, Trustor irrevocably appoints Lender as Trustor's agent and attorney-in-fact, such agency being coupled with an interest, to bring, defend, adjudicate, settle, or otherwise compromise such condemnation or expropriation claims; it being understood, however, that, unless one or more Events of Default (other than the condemnation or expropriation of the Property) then exists under this Deed of Trust, Lender will not agree to any final settlement or compromise of any such condemnation or expropriation claim without Trustor's prior approval, which approval shall not be unreasonably withheld.

Application of Net Proceeds. Lender shall have the right to receive all proceeds derived or to be derived from the condemnation, expropriation, confiscation, eminent domain, inverse condemnation, or any permanent or temporary requisition or taking of the Property, or any part or parts of the Property ("condemnation proceeds"). In the event that Trustor should receive any such condemnation proceeds, Trustor agrees to immediately turn over and to pay such proceeds to Lender. All condemnation proceeds, which are received by, or which are payable to either Trustor or Lender, shall be applied, at Lender's sole option and discretion, and in such manner as Lender may determine (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Trustor and/or Lender), for the purpose of: (a) replacing or restoring the condemned, expropriated, confiscated, or taken Property; or (b) reducing the then outstanding balance of the Indebtedness, together with interest thereon, with such payments being applied in the manner provided in this Deed of Trust. Lender's receipt of such condemnation proceeds and the application of such proceeds as provided in this Deed of Trust shall not affect the lien of this Deed of Trust.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Deed of Trust:

Current Taxes, Fees and Charges. Upon request by Lender, Trustor shall execute such documents in addition to this Deed of Trust and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Trustor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Deed of Trust, including without limitation all taxes, fees, documentary stamps, and other charges for recording or registering this Deed of Trust.

Taxes. The following shall constitute taxes to which this section applies: (1) a specific tax upon this type of Deed of Trust or upon all or any part of the Indebtedness secured by this Deed of Trust; (2) a specific tax on Trustor which Trustor is authorized or required to deduct from payments on the Indebtedness secured by this type of Deed of Trust; (3) a tax on this type of Deed of Trust chargeable against the Lender or the holder of the Agreement; and (4) a specific tax on all or any portion of the Indebtedness or on payments of principal and interest made by Trustor.

DEED OF TRUST
(Continued)

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Deed of Trust, this event shall have the same effect as an Event of Default, and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Trustor either (1) pays the tax before it becomes delinquent, or (2) contests the tax as provided above in the Taxes and - Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Deed of Trust as a security agreement are a part of this Deed of Trust:

Security Agreement. This instrument shall constitute a Security Agreement to the extent any of the Property constitutes fixtures, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Trustor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Deed of Trust in the real property records, Lender may, at any time and without further authorization from Trustor, file executed counterparts, copies or reproductions of this Deed of Trust as a financing statement. Trustor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Trustor shall not remove, sever or detach the Personal Property from the Property. Upon default, Trustor shall assemble any Personal Property not affixed to the Property in a manner and at a place reasonably convenient to Trustor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender to the extent permitted by applicable law.

Addresses. The mailing addresses of Trustor (debtor) and Lender (secured party) from which information concerning the security interest granted by this Deed of Trust may be obtained (each as required by the Uniform Commercial Code) are as stated on the first page of this Deed of Trust.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-tact are a part of this Deed of Trust:

Further Assurances. At any time, and from time to time, upon request, of Lender, Trustor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, refiled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (1) Trustor's obligations under the Agreement, this Deed of Trust, and the Related Documents, and (2) the liens and security interests created by this Deed of Trust as first and prior liens on the Property, whether now owned or hereafter acquired by Trustor. Unless prohibited by law or Lender agrees to the contrary in writing, Trustor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-Fact. If Trustor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Trustor and at Trustor's expense. For such purposes, Trustor hereby irrevocably appoints Lender as Trustor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Trustor pays all the Indebtedness when due, and otherwise performs all the obligations imposed upon Trustor under this Deed of Trust, Lender shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Trustor suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Any reconveyance fee required by law shall be paid by Trustor, if permitted by applicable law.

EVENTS OF DEFAULT. Each of the following, at Lender's option, shall constitute an Event of Default under this Deed of Trust:

Payment Default. Trustor fails to make any payment when due under the Indebtedness.

Other Defaults. Trustor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Deed of Trust or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Trustor.

DEED OF TRUST
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Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Deed of Trust, the Agreement or in any of the Related Documents. If such a failure is curable and if Trustor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Trustor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

Default on Other Payments. Failure of Trustor within the time required by this Deed of Trust to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

Default in Favor of Third Parties. Should Trustor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Trustor's property or Trustor's ability to repay the Indebtedness or perform their respective obligations under this Deed of Trust or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Trustor or on Trustor's behalf, or made by Guarantor, or any other guarantor, endorser, surety, or accommodation party, under this Deed of Trust or the Related Documents in connection with the obtaining of the Indebtedness evidenced by the Agreement or any security document directly or indirectly securing repayment of the Agreement is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Deed of Trust or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Death or Insolvency. The death of Trustor, the insolvency of Trustor, the appointment of a receiver for any part of Trustor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Trustor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Trustor or by any governmental agency against any property securing the Indebtedness. This includes a garnishment of any of Trustor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Trustor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Trustor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Execution; Attachment. Any execution or attachment is levied against the Property, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.

Change in Zoning or Public Restriction. Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented, that limits or defines the uses which may be made of the Property such that the present or intended use of the Property, as specified in the Related Documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed.

Default Under Other Lien Documents. A default occurs under any other mortgage, deed of trust or security agreement covering all or any portion of the Property.

Judgment. Unless adequately covered by insurance in the opinion of Lender, the entry of a final judgment for the payment of money involving more than ten thousand dollars (\$10,000.00) against Trustor and the failure by Trustor to discharge the same, or cause it to be discharged, or bonded off to Lender's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

Breach of Other Agreement. Any breach by Trustor under the terms of any other agreement between Trustor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Trustor to Lender, whether existing now or later.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor, or any other guarantor, endorser, surety, or accommodation party of any of the Indebtedness or any Guarantor, or any other guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall

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not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Adverse Change. A material adverse change occurs in Trustor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

Existing Indebtedness. The payment of any installment of principal or any interest on the Existing Indebtedness is not made within the time required by the lease purchase agreement evidencing such indebtedness, or a default occurs under the instrument securing such indebtedness and is not cured during any applicable grace period in such instrument, or any suit or other action is commenced to foreclose any existing lien on the Property.

Right to Cure. If such a failure is curable and if Trustor has not been given a notice of a breach of the same provision of this Deed of Trust within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Trustor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Deed of Trust, at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

Election of Remedies. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Trustor under this Deed of Trust, after Trustor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

Accelerate Indebtedness. Lender shall have the right at its option without notice to Trustor to declare the entire Indebtedness immediately due and payable, including any prepayment penalty which Trustor would be required to pay.

Foreclosure. With respect to all or any part of the Real Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Trustor to take possession of and manage the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the Indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Trustor irrevocably designates Lender as Trustor's attorney-in-fact to endorse instruments received in payment thereof in the name of Trustor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. Trustor hereby waives any requirement that the receiver be impartial and disinterested as to all of the parties and agrees that employment by Lender shall not disqualify a person from serving as a receiver.

Tenancy at Sufferance. If Trustor remains in possession of the Property after the Property is sold as provided above or Lender otherwise becomes entitled to possession of the Property upon default of Trustor, Trustor shall become a tenant at sufferance of Lender or the purchaser of the Property and shall, at Lender's option, either (1) pay a reasonable rental for the use of the Property, or (2) vacate the Property immediately upon the demand of Lender.

Other Remedies. Trustee or Lender shall have any other right or remedy provided in this Deed of Trust or the Agreement or by law.

Notice of Sale. Lender shall give Trustor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be

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made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition. Any sale of Personal Property may be made in conjunction with any sale of the Real Property.

Sale of the Property. To the extent permitted by applicable law, Trustor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees: Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest at the Agreement rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including reasonable attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees, title insurance, and fees for the Trustee, to the extent permitted by applicable law. Trustor also will pay any court costs, in addition to all other sums provided by law.

Rights of Trustee. Trustee shall have all of the rights and duties of Lender as set forth in this section.

POWERS AND OBLIGATIONS OF TRUSTEE. The following provisions relating to the powers and obligations of Trustee are part of this Deed of Trust:

Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the written request of Lender and Trustor: (a) join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights to the public; (b) join in granting any easement or creating any restriction on the Real Property; and (c) join in any subordination or other agreement affecting this Deed of Trust or the interest of Lender under this Deed of Trust.

Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Trustor, Lender, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

Trustee. Trustee shall meet all qualifications required for Trustee under applicable law. In addition to the rights and remedies set forth above, with respect to all or any part of the Property, the Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with and to the full extent provided by applicable law.

Successor Trustee. Lender, at Lender's option, may from time to time appoint a successor Trustee to any Trustee appointed under this Deed of Trust by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of Salt Lake County, State of Utah. The instrument shall contain, in addition to all other matters required by state law, the names of the original Lender, Trustee, and Trustor, the book and page where this Deed of Trust is recorded, and the name and address of the successor trustee, and the instrument shall be executed and acknowledged by Lender or its successors in interest. The successor trustee, without conveyance of the Property, shall succeed to all the title, power, and duties conferred upon the Trustee in this Deed of Trust and by applicable law. This procedure for substitution of Trustee shall govern to the exclusion of all other provisions for substitution.

NOTICES. Unless otherwise provided by applicable law, any notice required to be given under this Deed of Trust or required by law, including without limitation any notice of default and any notice of sale shall be given in writing, and shall be effective when actually delivered in accordance with the law or with this Deed of Trust, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Deed of Trust. All copies of notices of foreclosure from the holder of any lien which has priority over this Deed of Trust shall be sent to Lender's address, as shown near the beginning of this Deed of Trust. Notwithstanding any other provision of this Deed of Trust, all notices given under Utah Code Ann. Section 57-1-26 shall be given as required therein. Any party may change its address for notices under this Deed of Trust by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Trustor agrees to keep Lender informed at all times of Trustor's current

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address. Unless otherwise provided by applicable law, if there is more than one Trustor, any notice given by Lender to any Trustor is deemed to be notice given to all Trustors.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Amendments. This Deed of Trust, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Deed of Trust. No alteration of or amendment to this Deed of Trust shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Trustor's residence, Trustor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Trustor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Arbitration Disclosures.

1. ARBITRATION IS FINAL AND BINDING ON THE PARTIES AND SUBJECT TO ONLY VERY LIMITED REVIEW BY A COURT.
2. IN ARBITRATION THE PARTIES ARE WAIVING THEIR RIGHT TO LITIGATE IN COURT, INCLUDING THEIR RIGHT TO A JURY TRIAL.
3. DISCOVERY IN ARBITRATION IS MORE LIMITED THAN DISCOVERY IN COURT.
4. ARBITRATORS ARE NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING IN THEIR AWARDS. THE RIGHT TO APPEAL OR SEEK MODIFICATION OF ARBITRATORS' RULINGS IS VERY LIMITED.
5. A PANEL OF ARBITRATORS MIGHT INCLUDE AN ARBITRATOR WHO IS OR WAS AFFILIATED WITH THE BANKING INDUSTRY.
6. ARBITRATION WILL APPLY TO ALL DISPUTES BETWEEN THE PARTIES, NOT JUST THOSE CONCERNING THE AGREEMENT.
7. IF YOU HAVE QUESTIONS ABOUT ARBITRATION, CONSULT YOUR ATTORNEY OR THE AMERICAN ARBITRATION ASSOCIATION.

(a) Any claim or controversy ("Dispute") between or among the parties and their employees, agents, affiliates, and assigns, including, but not limited to, Disputes arising out of or relating to this agreement, this arbitration provision ("arbitration clause"), or any related agreements or instruments relating hereto or delivered in connection herewith ("Related Agreements"), and including, but not limited to, a Dispute based on or arising from an alleged tort, shall at the request of any party be resolved by binding arbitration in accordance with the applicable arbitration rules of the American Arbitration Association (the "Administrator"). The provisions of this arbitration clause shall survive any termination, amendment, or expiration of this agreement or Related Agreements. The provisions of this arbitration clause shall supersede any prior arbitration agreement between or among the parties.

(b) The arbitration proceedings shall be conducted in a city mutually agreed by the parties. Absent such an agreement, arbitration will be conducted in Salt Lake City, Utah or such other place as may be determined by the Administrator. The Administrator and the arbitrator(s) shall have the authority to the extent practicable to take any action to require the arbitration proceeding to be completed and the arbitrator(s)' award issued within 150 days of the filing of the Dispute with the Administrator. The arbitrator(s) shall have the authority to impose sanctions on any party that fails to comply with time periods imposed by the Administrator or the arbitrator(s), including the sanction of summarily dismissing any Dispute or defense with prejudice. The arbitrator(s) shall have the authority to resolve any Dispute regarding the terms of this agreement, this arbitration clause, or Related Agreements, including any claim or controversy regarding the arbitrability of any Dispute. All limitations periods applicable to any Dispute or defense, whether by statute or agreement, shall apply to any arbitration proceeding hereunder and the arbitrator(s) shall have the authority to decide whether any Dispute or defense is barred by a limitations period and, if so, to summarily enter an award dismissing any Dispute or defense on that basis. The doctrines of compulsory counterclaim, res judicata, and collateral estoppel shall apply to any arbitration proceeding hereunder so that a party must state as a counterclaim in the arbitration proceeding any claim or controversy which arises out of the transaction or occurrence that is the subject matter of the Dispute. The arbitrator(s) may in the arbitrator(s)' discretion and at the request of any party: (1) consolidate in a single arbitration proceeding any other claim arising out of the same transaction involving another party to that transaction that is bound by an arbitration clause with Lender, such as borrowers, guarantors, sureties, and owners of collateral; and (2) consolidate or administer multiple arbitration claims or controversies as a class action in accordance with Rule 23 of the Federal Rules of Civil Procedure.

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(Continued)

(c) The arbitrator(s) shall be selected in accordance with the rules of the Administrator from panels maintained by the Administrator. A single arbitrator shall have expertise in the subject matter of the Dispute. Where three arbitrators conduct an arbitration proceeding, the Dispute shall be decided by a majority vote of the three arbitrators, at least one of whom must have expertise in the subject matter of the Dispute and at least one of whom must be a practicing attorney. The arbitrator(s) shall award to the prevailing party recovery of all costs and fees (including attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees). The arbitrator(s), either during the pendency of the arbitration proceeding or as part of the arbitration award, also may grant provisional or ancillary remedies including but not limited to an award of injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver.

(d) Judgement upon an arbitration award may be entered in any court having jurisdiction, subject to the following limitation: the arbitration award is binding upon the parties only if the amount does not exceed Four Million Dollars (\$4,000,000.00); if the award exceeds that limit, either party may demand the right to a court trial. Such a demand must be filed with the Administrator within thirty (30) days following the date of the arbitration award; if such a demand is not made with that time period, the amount of the arbitration award shall be binding. The computation of the total amount of an arbitration award shall include amounts awarded for attorneys' fees and costs, arbitration administration fees and costs, and arbitrator(s)' fees.

(e) No provision of this arbitration clause, nor the exercise of any rights hereunder, shall limit the right of any party to: (1) judicially or non-judicially foreclose against any real or personal property collateral or other security; (2) exercise self-help remedies, including but not limited to repossession and setoff rights; or (3) obtain from a court having jurisdiction thereover any provisional or ancillary remedies including but not limited to injunctive relief, foreclosure, sequestration, attachment, replevin, garnishment, or the appointment of a receiver. Such rights can be exercised at any time, before or after initiation of an arbitration proceeding, except to the extent such action is contrary to the arbitration award. The exercise of such rights shall not constitute a waiver of the right to submit any Dispute to arbitration, and any claim or controversy related to the exercise of such rights shall be a Dispute to be resolved under the provisions of this arbitration clause. Any party may initiate arbitration with the Administrator. If any party desires to arbitrate a Dispute asserted against such party in a complaint, counterclaim, cross-claim, or third-party complaint thereto, or in an answer or other reply to any such pleading, such party must make an appropriate motion to the trial court seeking to compel arbitration, which motion must be filed with the court within 45 days of service of the pleading, or amendment thereto, setting forth such Dispute. If arbitration is compelled after commencement of litigation of a Dispute, the party obtaining an order compelling arbitration shall commence arbitration and pay the Administrator's filing fees and costs within 45 days of entry of such order. Failure to do so shall constitute an agreement to proceed with litigation and waiver of the right to arbitrate. In any arbitration commenced by a consumer regarding a consumer Dispute, Lender shall pay one half of the Administrator's filing fee, up to \$250.

(f) Notwithstanding the applicability of any other law to this agreement, the arbitration clause, or Related Agreements between or among the parties, the Federal Arbitration Act, 9 U.S.C. Section 1 et seq., shall apply to the construction and interpretation of this arbitration clause. If any provision of this arbitration clause should be determined to be unenforceable, all other provisions of this arbitration clause shall remain in full force and effect.

Caption Headings. Caption headings in this Deed of Trust are for convenience purposes only and are not to be used to interpret or define the provisions of this Deed of Trust.

Merger. There shall be no merger of the interest or estate created by this Deed of Trust with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Governing Law. This Deed of Trust will be governed by, construed and enforced in accordance with federal law and the laws of the State of Utah. This Deed of Trust has been accepted by Lender in the State of Utah.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Deed of Trust unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Deed of Trust shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Deed of Trust. No prior waiver by Lender, nor any course of dealing between Lender and Trustor, shall constitute a waiver of any of Lender's rights or of any of Trustor's obligations as to any future transactions. Whenever the consent of Lender is required under this Deed of Trust, the granting of such consent by

DEED OF TRUST
(Continued)

Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Deed of Trust to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Deed of Trust. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Deed of Trust shall not affect the legality, validity or enforceability of any other provision of this Deed of Trust.

Non-Liability of Lender. The relationship between Trustor and Lender created by this Deed of Trust is strictly a debtor and creditor relationship and not fiduciary in nature, nor is the relationship to be construed as creating any partnership or joint venture between Lender and Trustor. Trustor is exercising Trustor's own judgment with respect to Trustor's business. All information supplied to Lender is for Lender's protection only and no other party is entitled to rely on such information. There is no duty for Lender to review, inspect, supervise or inform Trustor of any matter with respect to Trustor's business. Lender and Trustor intend that Lender may reasonably rely on all information supplied by Trustor to Lender, together with all representations and warranties given by Trustor to Lender, without investigation or confirmation by Lender and that any investigation or failure to investigate will not diminish Lender's right to so rely.

Sole Discretion of Lender. Whenever Lender's consent or approval is required under this Deed of Trust, the decision as to whether or not to consent or approve shall be in the sole and exclusive discretion of Lender and Lender's decision shall be final and conclusive.

Successors and Assigns. Subject to any limitations stated in this Deed of Trust on transfer of Trustor's interest, this Deed of Trust shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Trustor, Lender, without notice to Trustor, may deal with Trustor's successors with reference to this Deed of Trust and the Indebtedness by way of forbearance or extension without releasing Trustor from the obligations of this Deed of Trust or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waiver of Homestead Exemption. Trustor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Utah as to all Indebtedness secured by this Deed of Trust.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Deed of Trust. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement and Lease Purchase Agreement. The words "Agreement" and "Lease Purchase Agreement" mean the Lease/Purchase Agreement dated June 21, 2013 between Zions First National Bank as Lessor and Cache County as Lessee, and in the principal amount of \$538,000 from Trustor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the lease purchase agreement.

Beneficiary. The word "Beneficiary" means "ZIONS FIRST NATIONAL BANK," and its successors and assigns.

Borrower. The word "Borrower" means "CACHE COUNTY," and all other persons and entities signing the Agreement in whatever capacity.

Deed of Trust. The words "Deed of Trust" means this Deed of Trust among Trustor, Lender, and Trustee, and includes without limitation all assignment and security interest provisions relating to the Personal Property and Rents.

Default. The word "Default" means the Default set forth in this Deed of Trust in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

DEED OF TRUST
(Continued)

Event of Default. The words "Event of Default" mean individually, collectively, and interchangeably any of the events of default set forth in this Deed of Trust in the events of default section of this Deed of Trust.

Existing Indebtedness. The words "Existing Indebtedness" mean the indebtedness described in the Existing Liens provision of this Deed of Trust.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the indebtedness, and, in each case, Trustor's successors, assigns, heirs, personal representatives, executors and administrators of any guarantor, surety, or accommodation party.

Guaranty. The word "Guaranty" means the guaranty from Guarantor, or any other guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Agreement.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Improvements. The word "Improvements" means all existing and future improvements, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means and includes without limitation all Loans, together with all other obligations, debts and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as a guarantor, surety, or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

Lease Purchase Agreement and Agreement. The words "Lease Purchase Agreement" and "Agreement" mean the Lease/Purchase Agreement dated June 21, 2013 between Zions First National Bank as Lessor and Cache County as Lessee, and in the principal amount of \$538,000 from Trustor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the lease purchase agreement.

Lender. The word "Lender" means "ZIONS FIRST NATIONAL BANK", its successors and assigns.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Trustor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Deed of Trust.

Related Documents. The words "Related Documents" mean all lease purchase agreements, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

Trustee. The word "Trustee" means ZIONS FIRST NATIONAL BANK, whose address is ONE SOUTH MAIN STREET, 17TH FLOOR, SALT LAKE CITY, UT 84133 and any substitute or successor trustees.

Trustor. The word "Trustor" means CACHE COUNTY.

TRUSTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS DEED OF TRUST, AND TRUSTOR AGREES TO ITS TERMS.

DEED OF TRUST
(Continued)

TRUSTOR:

CACHE COUNTY

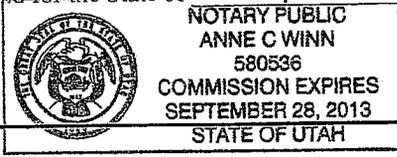
By: M. Lynn Lemon
Authorized Signer for Cache County

GOVERNMENTAL ACKNOWLEDGEMENT

STATE OF Utah)
) SS
COUNTY OF Cache)

On this 12 day of June, 2013 before me, the undersigned Notary Public, personally appeared M Lynn Lemon of Cache County, and known to me be (an) authorized agent(s) of the governmental entity that executed the Deed of Trust and acknowledged the Deed of Trust to be the free and voluntary act and deed of the governmental entity, by authority of its enabling laws or by resolution of its governing body, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Deed of Trust and in fact executed the Deed of Trust on behalf of the governmental entity.

By Anne C Winn Residing at Logan Utah
Notary Public in and for the State of Utah My commission expires 09/28/13



REQUEST FOR FULL CONVEYANCE
(To be used only when obligations have been paid in full)

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Agreement secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: _____

Beneficiary: _____
By: _____
Its: _____

LEGAL DESCRIPTION

PARCEL 1

A PARCEL OF GROUND LOCATED IN SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN. DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 02°01'59" WEST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE OF 2,680.33 FEET TO A BRASS CAP MONUMENT FOUND AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE SOUTH 90° WEST ALONG A RANDOM LINE 2472.32 FEET; THENCE SOUTH 00°33'57" WEST 1,875.75 FEET TO THE TRUE POINT OF BEGINNING, A POINT LOCATED IN THE CENTERLINE OF AN EXISTING DITCH; AND RUNNING THENCE NORTH 89°21'55" WEST (NORTH 89°00' WEST BY RECORD) 1,101.76 FEET; THENCE SOUTH 07°28'52" EAST 117.89 FEET; THENCE SOUTH 12°00'00" EAST 479.13 FEET; THENCE SOUTHERLY 79.34 FEET ALONG THE ARC OF A 467.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 09°44'01" AND A LONG CHORD THAT BEARS SOUTH 16°52'00" EAST 79.24 FEET; THENCE SOUTH 21°44'01" EAST 357.65 FEET; THENCE SOUTH 45°29'08" EAST 159.85 FEET; THENCE SOUTHEASTERLY 99.24 FEET ALONG THE ARC OF A 533.00 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 10°40'05" AND A LONG CHORD THAT BEARS SOUTH 40°09'06" EAST 99.10 FEET; THENCE SOUTH 34°49'03" EAST 156.92 FEET; THENCE SOUTHEASTERLY 96.15 FEET ALONG THE ARC OF A 100.00 FOOT RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 55°05'25" AND A LONG CHORD THAT BEARS SOUTH 62°21'46" EAST 92.49 FEET; THENCE SOUTH 89°54'28" EAST 468.63 FEET; THENCE NORTH 00°33'57" EAST (NORTH BY RECORD) 1,341.77 FEET TO THE POINT OF BEGINNING.

PARCEL 2

A PARCEL OF GROUND LOCATED IN SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN. DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SECTION 25, TOWNSHIP 11 NORTH, RANGE 1 WEST OF THE SALT LAKE BASE AND MERIDIAN AND RUNNING THENCE NORTH 02°01'59" WEST ALONG THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 25 A DISTANCE OF 2,680.33 FEET TO A BRASS CAP MONUMENT FOUND AT THE NORTHEAST CORNER OF SAID SECTION 25; THENCE SOUTH 90° WEST ALONG A RANDOM LINE 2472.32 FEET; THENCE SOUTH 00°33'57" WEST 1,875.75 FEET TO THE TRUE POINT OF BEGINNING, A POINT LOCATED IN THE CENTERLINE OF AN EXISTING DITCH; AND THENCE FOLLOWING THE CENTERLINE OF SAID DITCH THE FOLLOWING TEN COURSES, 1) SOUTH 89°21'55" EAST 579.31 FEET (SOUTH 89°00' EAST 617.10 FEET BY RECORD) TO THE POINT OF CURVE OF A NON TANGENT CURVE OF WHICH THE RADIUS POINT LIES SOUTH 06°46'44" WEST 91.88 FEET; 2) THENCE SOUTHEASTERLY 112.64 FEET ALONG THE ARC OF A 91.88 FOOT RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 70°14'17" AND A LONG CHORD THAT BEARS SOUTH 48°06'08" EAST 105.72 FEET; 3) THENCE SOUTH 13°05'35" EAST 85.47 FEET; 4) THENCE SOUTH 04°37'28" EAST 77.77 FEET; 5) THENCE SOUTH 05°02'50" EAST 74.97 FEET; 6) THENCE SOUTH 11°29'48" EAST 83.81 FEET; 7) THENCE SOUTH 83°04'50" WEST 51.59 FEET; 8) THENCE SOUTH 46°08'08" WEST 122.34 FEET; 9) THENCE SOUTH 65°01'09" WEST 117.83 FEET; 10) THENCE SOUTH 84°12'53" WEST 70.37 FEET; THENCE LEAVING SAID DITCH SOUTH 00°33'57" WEST (SOUTH BY RECORD) 806.46 FEET; THENCE NORTH 88°21'12" WEST 239.72 FEET; THENCE NORTH 89°54'28" WEST 156.33 FEET; THENCE NORTH 00°33'57" EAST (NORTH BY RECORD) 1,341.77 FEET TO THE POINT OF BEGINNING

Information Return for Tax-Exempt Governmental Obligations

Under Internal Revenue Code section 149(e)
 See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here

1 Issuer's name Cache County		2 Issuer's employer identification number (EIN) 87-6000302
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 199 North Main	Room/suite ----	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Logan, Utah 84321		7 Date of issue 06/21/2013
8 Name of issue \$538,000 Lease Purchase Agreement		9 CUSIP number None
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) M. Lynn Lemon - Cache County Executive		10b Telephone number of officer or other employee shown on 10a 435-755-1850

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	0
12	Health and hospital	0
13	Transportation	0
14	Public safety	0
15	Environment (including sewage bonds)	0
16	Housing	0
17	Utilities	0
18	Other. Describe Lease Purchase Agreement	538,000 00
19	If obligations are TANs or RANs, check only box 19a	<input type="checkbox"/>
	If obligations are BANs, check only box 19b	<input type="checkbox"/>
20	If obligations are in the form of a lease or installment sale, check box	<input checked="" type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/21/18	\$ 538,000	\$ N/A	3.037 years	1.880 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest	0
23	Issue price of entire issue (enter amount from line 21, column (b))	538,000 00
24	Proceeds used for bond issuance costs (including underwriters' discount)	12,000 00
25	Proceeds used for credit enhancement	0
26	Proceeds allocated to reasonably required reserve or replacement fund	0
27	Proceeds used to currently refund prior issues	0
28	Proceeds used to advance refund prior issues	0
29	Total (add lines 24 through 28)	12,000 00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	526,000 00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	N/A	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	N/A	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	N/A	
34	Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	N/A	

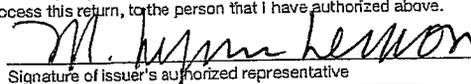
For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form 8038-G (Rev. 9-2011)

Part VI Miscellaneous

- 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) 35 N/A
- 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) 36a N/A
 - b Enter the final maturity date of the GIC ▶ N/A
 - c Enter the name of the GIC provider ▶ N/A
- 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units 37 N/A
- 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b Enter the date of the master pool obligation ▶ N/A
 - c Enter the EIN of the issuer of the master pool obligation ▶ N/A
 - d Enter the name of the issuer of the master pool obligation ▶ N/A
- 39 If the issuer has designated the issue under section 265(b)(3)(E)(i)(II) (small issuer exception), check box
- 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
- 41a If the issuer has identified a hedge, check here and enter the following information:
 - b Name of hedge provider ▶ N/A
 - c Type of hedge ▶ N/A
 - d Term of hedge ▶ N/A
- 42 If the issuer has superintegrated the hedge, check box
- 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
- 44 If the issuer has established written procedures to monitor the requirements of section 148, check box
- 45a If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement N/A
 - b Enter the date the official intent was adopted ▶ N/A

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	 Signature of issuer's authorized representative	Date	M. Lynn Lemon - Cache County Executive Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed PTIN P01609368
	Firm's name ▶ Zions First National Bank	Firm's EIN ▶ 87-0189025		
	Firm's address ▶ One South Main Street, Suite 1700, Salt Lake City, Utah 84133	Phone no. 801-844-7817		

TAX SALE MINUTES

May 30, 2013

The tax lien sale was called to order at 10:00 A.M. May 30, 2013 in the Cache County Multipurpose Room. County representatives present for the sale were Tamra Stones, Cache County Auditor and Janice Trygstad, Deputy Auditor, Dianna Schaeffer, deputy auditor, Michael Gleed, County Recorder. There were 7 registered bidders for this sale and many spectators.

All property advertised by the county auditor, as provided in Utah Code 59-2-1351 with delinquent taxes for the 2008 tax year that were delinquent on January 31, 2013 and had not been redeemed by the sale hour were offered for sale. Parcel number 02-053-0026 has a sale year of 2007. Parcel number 09-059-0007 has a sale year of 2005.

The sale procedures were outlined as follows:

1. Once a bid has been entered it cannot be withdrawn. (Until the moment of the sale, the owner of record or lien-holder of record may redeem the property to prevent the sale.) Payment should be made to the County Treasurer by 5:00 p.m. today in the form of cash; or certified funds made payable to the Cache County Treasurer in the exact amount of the sale. Upon payment a temporary receipt will be issued from the County Treasurer.

2. The sales of these properties are conditional and subject to review by the County Council. The Council can accept or reject any bid. If the Council accepts the bid then the sale will be deemed approved.

3. Any person wishing to contest the sale, must file in writing the basis for the objection, as outlined in the bid procedures, with the County Council through the office of the County Executive within 10 days of the sale.

4. Confirmation of bid forms will need to be completed acknowledging the terms and conditions of the bid as set forth in the bidding procedures. The Treasurer or her deputy will validate the form at the time you make payment.

5. Tax deeds will be issued, by the County Auditor after approval of the Cache County Council and mailed within sixty days together with a permanent receipt.

6. Property that is offered for sale will be struck off to the county by the County Auditor if any of the following situations occur: (1) No bids are received for the property, (2) the apparent high bidder fails or refuses to execute a confirmation of bid or fails or refuses to make full payment of the bid amount in the manner and within the time required or (3) the County Council rejects any bids and thereby disapproves the sale or (4) the parcel is determined to be used for a public purpose.

7. In accordance with Section 59-2-1351(3), Utah Code, the County Auditor will publicly declare that the property has been struck off to the County, make an appropriate record of the action.

8. The property is sold by the county and purchased by the buyer "AS IS," and the county makes no warranty whatsoever respecting the condition of property and improvements. The county will convey title by tax deed. If there are parcels with liens they were noted when the parcel came up for sale. Also, the title reports were made available for participants to view.

The Auditor then offered the first parcel for sale:

Parcel number 01-047-0040 GRESZLER, CHERYL M owner of record. Total due: \$ 915.79. The parcel is land locked and adjacent property owners were given a preferred bid. The legal description is included here but described as what appears to be a remainder lot: BEG 82.5 FT W & 145 FT S OF NE COR LT 6 BLK 1 PLT B HYRUM CITY SVY & TH W 82.5 FT TH S 33.5 FT TO PT 14 FT S OF SW COR E/2 LT 6 TH SE'LY TO PT S OF BEG TH N TO BEG CONT 0.13 AC The minimum bid for this parcel is \$915.79. The bidding opened.

<u>AMOUNT OF BID</u>	<u>BIDDER #</u>	<u>BIDDER NAME</u>
Min. bid - \$ 915.79	#2	Bradley James

No other bids were accepted. The minimum bid was \$915.79 entered by Bradley James, the apparent successful bidder.

Parcel Number 02-053-0026 BLUE STAR HOTELS LLC, as owner of record. Total due: \$4,054.09. Described as a .50 ac parcel in the center of the block with access to 1st East in Logan. Legal description is included: BEG N 0*16'15 E 41.25 FT FROM SE COR LT 7 BLK 2 PLT D LOGAN CITY SVY & TH S 89*06'09 W 148.5 FT TH S 0*16'15 W 41.25 FT TH S 89*56'02 W 3.36 FT TH S 2*11'21 E 85.28 FT TH N 89*21'04 W 116.86 FT TH N 0*06'52 E 83.73 FT TH N 89*56'02 E 41.69 FT TH N 0*12'43 E 115.06 FT TH S 89*56'50 E 74.26 FT TO PT N 0*16'15 E 33.0 FT & N 89*56'46 W 149.28 FT & S 0*18'39 W 222.75 FT FROM NE COR LT 6 SD BLK 2 TH S 0*18'40 W 48.89 FT TH N 89*06'09 E 149.5 FT TO E LN LT 7 TH S 0*16'15 W 24.75 FT TO B. There are 30 liens on this parcel amounting to over \$107,000.00. The market value of this parcel is \$42,400. The county attorney indicated that this parcel be sold to the highest bidder. The minimum bid for this parcel is \$4,054.09. The bidding opened.

<u>AMOUNT OF BID</u>	<u>BIDDER #</u>	<u>BIDDER NAME</u>
Min. bid - \$4,054.09	#1	Ara Shahbazian

No other bids were accepted. The minimum bid was \$4,054.09 entered by Ara Shahbazian, the apparent successful bidder.

Parcel number 09-059-0007, owner of record GILLINS, KURTIS L & DELLENE. Total due: \$480.67.

Described as a land locked parcel of .04 ac or approx 1700 sq ft. Legal description is included here: BEG 8 RDS E OF NW COR LOT 2 BLK 9 PLAT A RICHMOND CITY SVY, E 1.75 RDS S 4 RDS W 1.75 RDS N 4 RDS TO BEG SW/4 SEC 26 T 14N R 1E

The Auditor inquired if any adjacent parcel owners were present for a preferential bid. No one was present to make a bid. The minimum bid for this parcel is \$480.67.

<u>AMOUNT OF BID</u>	<u>BIDDER #</u>	<u>BIDDER NAME</u>
Min. bid - \$480.67	None	

No other bids were accepted. The minimum bid was \$ 480.67. No bids were made. This property was struck off to the county.

The tax lien sale closed with the following statement by the Auditor. "All property here offered for sale and which has not been struck off to a private purchaser is hereby struck off and sold to the County of Cache, and I hereby declare the fee simple title of the property to be vested in the county."

This Tax sale was hereby adjourned at 10:15 A.M..

APPROVAL OF THE SALE:

Parcel number 01-047-00040 sold to Bradley James for \$ 915.79.

Approved Denied

Parcel number 02-053-0026 sold to Ara Shahbazian for \$4,054.09.

Approved Denied

Parcel number 09-059-0007 no bidders, property "Struck Off" to the County of Cache.

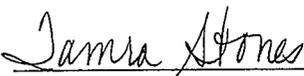
Approved Denied

Date: June 11, 2013



Cache County Council

ATTESTED:



Tamra Stones, County Auditor



Proposed Options for the Surveyor's Office

	Current	Contract Option	Additional Cost
Roadway Sign Checks	Roads/Dev. Services	Roads/Dev. Services	None
Encroachment Permitting	Dev. Services	Dev. Services	None
Recording			
Records of Survey (65-135 per year)	Surveyor	Dev. Services/Contract	\$2,600 to \$5,400 ¹
Online Viewing Tool	Dev. Services	Dev. Services	None
Surveyor's Desktop Program	Surveyor	Eliminate	None
Road Work			
Class B Roads	Surveyor	Dev. Services	None
Survey Data for Construction Projects	Surveyor/Dev. Services	Contract	\$30,000 ²
Historic Road Research	Surveyor/Attorney	Attorney/Dev. Services	None
Gate Checks and Road Closures	Surveyor	Roads/Dev. Services	None
Subdivision Plat Reviews (Unincorporated only)			
Ensure Plat Closure & State Standards	Surveyor	Contract	\$7,500
All other Plat requirements	Dev. Services	Dev. Services	None
Section Corners			
Locate/Place Section Corners	Surveyor	Contract	\$2,000 + \$10,000 ³
Maintain Existing Section Corners	?	Contract	\$7,500
Develop Tie Sheets	?	Contract	\$5,000
Unmet Equipment & Training Needs	\$50,000+ (one time)	None	None
Office Cost (Salary, Benefits, Misc. Office Budget)	\$179,372 (on going)	None	None
Misc Survey Q&A	Surveyor	Contract	\$7,500
			\$62,100 - 64,900

¹ Plat review needed to ensure compliance with State requirements (assume 45 mins/record @ ~\$80/hr minus a \$20 recording fee/plat)

² Estimate only - Cost is largely dependent on the proposed CIP

³ 1 Person Crew \$70-90/hr, 2 Person Crew \$100-120/hr, CAD Tech \$70/hr, Surveyor Tech \$80/hr, Licensed Surveyor \$110/hr

Example of Work completed in 2012

4800 S - County Survey

McMurdy/South Canyon Slides - County did some base work, ~\$8,500 contract to JUB

Avon Drainage Issue - County Survey, Dev Services completed mapping

Blacksmith Fork EWP - County unable to complete, \$10,000 contract to Foresight (and ongoing)

Meridian & Mt. Pisgah Rds and Charleville Rd - Survey work not completed (pushed to 2013)

³ Anticipated cadastral mapping grant from the State of Utah