

# AGENDA



# 4:30 P.M.

## CITY COUNCIL MEETING

## TUESDAY, DECEMBER 14, 2021

### NOTES:

- Public Forum:  
Comments are generally limited to 3 minutes.
- Consent Items:  
Items listed under Consent Items have been distributed to Council Members in advance for study and will be enacted by one motion. Any member of the Council, staff or the public may remove an item from the Consent Items for discussion. For additional information on pulling a Consent Item, please contact the City Clerk's Office staff, preferably in advance of the Call to Order. Items removed from the Consent Items may be acted upon before proceeding to the next agenda item.
- Meeting room is wheelchair accessible. American Disabilities Act (ADA) accommodations are available upon request. Please phone 928-282-3113 at least two (2) business days in advance.
- City Council Meeting Agenda Packets are available on the City's website at:

[www.SedonaAZ.gov](http://www.SedonaAZ.gov)

### GUIDELINES FOR PUBLIC COMMENT

#### PURPOSE:

- To allow the public to provide input to the City Council on a particular subject scheduled on the agenda.
- This is not a question/answer session.

#### PROCEDURES:

- It is strongly encouraged that public input on agenda items be submitted by sending an email to the City Clerk at [sirvine@sedonaz.gov](mailto:sirvine@sedonaz.gov) in advance of the 4:30 p.m. Call To Order.
- Fill out a "Comment Card" and deliver it to the City Clerk.
- When recognized, use the podium/microphone.
- State your:
  1. Name and
  2. City of Residence
- Limit comments to **3 MINUTES**.
- Submit written comments to the City Clerk.

DUE TO CONTINUED PRECAUTIONS RELATED TO COVID-19, SEATING FOR THE PUBLIC WITHIN THE COUNCIL CHAMBERS IS LIMITED. THOSE WISHING TO COMMENT ON SCHEDULED AGENDA ITEMS MAY BE ASKED TO WAIT OUTDOORS OR IN AN ALTERNATE LOCATION IF THERE IS NOT ADEQUATE SEATING IN COUNCIL CHAMBERS. **COMMENTS IN ADVANCE OF THE 4:30 P.M. CALL TO ORDER ARE STRONGLY ENCOURAGED BY SENDING AN EMAIL TO [SIRVINE@SEDONAAZ.GOV](mailto:sirvine@sedonaz.gov) AND WILL BE MADE PART OF THE OFFICIAL MEETING RECORD.** THE MEETING CAN BE VIEWED LIVE ON THE CITY'S WEBSITE AT [WWW.SEDONAAZ.GOV](http://WWW.SEDONAAZ.GOV) OR ON CABLE CHANNEL 4.

### 1. CALL TO ORDER/PLEDGE OF ALLEGIANCE/MOMENT OF SILENCE/ROLL CALL

### 2. CITY'S VISION/MOMENT OF ART

### 3. CONSENT ITEMS - APPROVE

LINK TO DOCUMENT =

- Minutes - November 23, 2021 City Council Special Meeting - Executive Session.
- Minutes - November 23, 2021 City Council Regular Meeting.
- Approval of Proclamation, Human Trafficking Awareness Month, January 2022.
- AB 2732 Approval of a Resolution approving the form of the federally taxable lease purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.
- AB 2751 Approval of a Resolution authorizing an Intergovernmental Agreement for Arizona Emergency Management Aid Compact (AZMAC) between the Sedona Police Department and the State of Arizona.
- AB 2754 Approval of a recommendation regarding an application for a Series 10 Beer and Wine Store Liquor License for Matterhorn Inn located at 230 Apple Avenue, Sedona, AZ (File# 168576).
- AB 2756 Approval of award of a Professional Services Contract with Kimley-Horn and Associates in the approximate amount of \$288,936 for the design of the Ranger Road/Brewer Road Intersection and Ranger Road Extension Improvements.

### 4. APPOINTMENTS - None.

### 5. SUMMARY OF CURRENT EVENTS BY MAYOR/COUNCILORS/CITY MANAGER

**6. PUBLIC FORUM** (This is the time for the public to comment on matters not listed on the agenda. The City Council may not discuss items that are not specifically identified on the agenda. Therefore, pursuant to A.R.S. § 38-431.01(H), action taken as a result of public comment will be limited to directing staff to study the matter, responding to any criticism, or scheduling the matter for further consideration and decision at a later date.)

### 7. PROCLAMATIONS, RECOGNITIONS & AWARDS

- Presentation of Proclamation, Human Trafficking Awareness Month, January 2022.
- Recognition of 2021 City of Sedona Volunteer Award Recipients.




CITY COUNCIL CHAMBERS  
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.



### Page 2, City Council Meeting Agenda Continued

#### 8. REGULAR BUSINESS

- a. AB 2753 **Discussion/possible action** regarding authorization to lease purchase three microtransit vehicles in an amount not to exceed \$336,000, plus interest, from Creative Bus Sales and approval of a Resolution approving the form of the federally taxable lease purchase agreement with Zions Bancorporation, N.A., and authorizing the execution and delivery thereof. 
- b. AB 2755 **Discussion/possible direction** regarding a possible joint meeting(s) between the City Council and the Planning and Zoning Commission and potential agenda items for said meeting(s). 
- c. AB 2571 **Discussion/possible direction** regarding issues surrounding the COVID-19 pandemic and the City's response. 
- d. **Reports/discussion** regarding Council assignments.
- e. **Discussion/possible action** regarding future meeting/agenda items.

#### 9. EXECUTIVE SESSION

If an Executive Session is necessary, it will be held in the Vultee Conference Room at 106 Roadrunner Drive. Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).
- b. Return to open session. Discussion/possible action on executive session items.

#### 10. ADJOURNMENT

Posted: 12/09/2021

By: DJ

\_\_\_\_\_  
Susan L. Irvine, CMC  
City Clerk

Note: Pursuant to A.R.S. § 38-431.02 notice is hereby given to the members of the City Council and to the general public that the Council will hold the above open meeting. Members of the City Council will attend either in person or by telephone, video, or internet communications. The Council may vote to go into executive session on any agenda item, pursuant to A.R.S. § 38-431.03(A)(3) and (4) for discussion and consultation for legal advice with the City Attorney. Because various other commissions, committees and/or boards may speak at Council meetings, notice is also given that four or more members of these other City commissions, boards, or committees may be in attendance.

A copy of the packet with materials relating to the agenda items is typically available for review by the public in the Clerk's office after 1:00 p.m. the Thursday prior to the Council meeting and on the City's website at [www.SedonaAZ.gov](http://www.SedonaAZ.gov). The Council Chambers is accessible to people with disabilities, in compliance with the Federal 504 and ADA laws. Those with needs for special typeface print, may request these at the Clerk's Office. All requests should be made **forty-eight hours** prior to the meeting.

CITY COUNCIL CHAMBERS  
102 ROADRUNNER DRIVE, SEDONA, AZ

The mission of the City of Sedona government is to provide exemplary municipal services that are consistent with our values, history, culture and unique beauty.

**Action Minutes  
Special City Council Meeting  
Vultee Conference Room, Sedona City Hall,  
106 Roadrunner Drive, Sedona, Arizona  
Tuesday, November 23, 2021, 3:30 p.m.**

**1. Call to Order**

Mayor Moriarty called the meeting to order at 3:30 p.m.

**2. Roll Call**

**Council Present:** Mayor Sandy Moriarty, Vice Mayor Scott Jablow, Councilor Kathy Kinsella, Councilor Tom Lamkin, Councilor Holli Ploog, Councilor Jon Thompson, Councilor Jessica Williamson.

**Staff in attendance:** City Manager Karen Osburn, Deputy City Manager Joanne Keene, City Attorney Kurt Christianson, Public Works Director/City Engineer Andy Dickey, City Clerk Susan Irvine.

**3. Special Business**

**Motion: Councilor Kinsella moved to enter into Executive Session at 3:31 p.m. Seconded by Councilor Ploog. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

- a. **Discussion and consultation with the City Attorney regarding contract negotiations and legal advice regarding the Police Station Remodel Project with Hope Construction, Inc. This matter is brought in executive session pursuant to A.R.S. § 38-431.03(A)(3) & (4).**

**Reconvened in open session at 4:03 p.m.**

- b. **Return to open session. Discussion/possible action regarding executive session items.**

**No action taken.**

**4. Adjournment**

**Mayor Moriarty adjourned the meeting at 4:03 p.m.**

**I certify that the above are the true and correct actions of the Special City Council Meeting held on November 23, 2021.**

\_\_\_\_\_  
Susan L. Irvine, CMC, City Clerk

\_\_\_\_\_  
Date

**Action Minutes**  
**Regular City Council Meeting**  
**City Council Chambers, Sedona City Hall,**  
**102 Roadrunner Drive, Sedona, Arizona**  
**Tuesday, November 23, 2021, 4:30 p.m.**

**1. Call to Order/Pledge of Allegiance/Moment of Silence/Roll Call**

Mayor Moriarty called the meeting to order at 4:30 p.m.

**Council Present:** Mayor Sandy Moriarty, Vice Mayor Scott Jablow, Councilor Kathy Kinsella, Councilor Tom Lamkin, Councilor Holli Ploog, Councilor Jon Thompson, Councilor Jessica Williamson.

**Staff Present:** City Manager Karen Osburn, Deputy City Manager Joanne Keene, City Attorney Kurt Christianson, Public Works Director/City Engineer Andy Dickey, Assistant Engineer Hanako Ueda, Planning Manager Cari Meyer, Associate Planner Katherine Herbert, Public Relations Coordinator Ron Eland, Parks & Recreation Administrative Assistant Aaron Day, Transit Administrator Robert Weber, Housing Manager Shannon Boone, City Clerk Susan Irvine.

**2. City's Vision**

The City's Vision was read by Councilor Thompson.

**3. Consent Items**

- a. **Minutes - November 9, 2021 City Council Regular Meeting.**
- b. **Approval of Proclamation, Verde River Week, November 28 - December 4, 2021.**
- c. **AB 2720 Approval of award of a construction contract for the Police Station Remodel Project with Hope Construction, Inc. in an amount not to exceed \$1,990,000.**
- d. **AB 2744 Approval of a recommendation regarding an application for a Series 7 Beer and Wine Bar Liquor License for Sedona Real Inn & Suites located at 95 Arroyo Pinon Drive, Sedona, AZ (File #161504).**

**Motion: Councilor Williamson moved to approve consent items 3a, 3b, 3c, and 3d. Seconded by Councilor Kinsella. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

**4. Appointments – None.**

**5. Summary of Current Events by Mayor/Councilors/City Manager**

Vice Mayor Jablow advised that the following Parks & Recreation events are upcoming: Turkey Trot on Thursday at 9:00 a.m.; Breakfast with Santa on December 4<sup>th</sup> from 8:00 to 10:00 a.m.; and holiday lights are up and available for viewing through the beginning of January. Parks & Recreation is also seeking volunteer park rangers. More information is available on the City's website. Mayor Moriarty wished everyone a happy Thanksgiving.

**6. Public Forum – None.**

**7. Proclamations, Recognitions, and Awards**

Sedona City Council  
Regular Meeting  
Tuesday, November 23, 2021  
4:30 p.m.

a. **Presentation of Proclamation, Verde River Week, November 28 - December 4, 2021.**

Mayor Moriarty read the Proclamation and presented it to Kegn Moorcroft. Ms. Moorcroft thanked the Council for their recognition and thanked Peggy Chaikin for founding Friends of the Verde River.

8. **Regular Business**

a. **AB 2738 Public hearing/discussion/possible action regarding an appeal of the Planning and Zoning Commission's September 21, 2021 approval, with conditions, of a conditional use permit for the Running River School located at 580 Brewer Road (Christ Center Wesleyan Church). PZ21-00012 (CUP), APPE21-00001.**

Introduction by Kurt Christianson.

Request for additional presentation time by Eileen Grant Senior's attorney, Sharon Flack.

**Motion: Councilor Kinsella moved to allow for 15 minutes total presentation time for the appellant and applicant. Seconded by Councilor Lamkin. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

Appellant presentation by Sharon Flack and Eileen Grant, Jr.

Presentation from applicant's representatives, Lupita Pollock and Ellyn Hilliard.

Opened the public hearing at 5:18 p.m.

The following spoke regarding this item: Christina Fahmi, Sedona, Rotraut Best, Sedona, Michael Best, Sedona, Patricia Popp, Sedona, Timothy Smith, Sedona, Sacha Wolvekamp, Sedona, read a statement on behalf of Emily Morin, Sedona, Anthony Camarda, Sedona.

Closed the public hearing and brought back to Council at 5:36 p.m.

Rebuttals by appellant & applicant's representative.

Questions and comments from Council.

**Motion: Councilor Kinsella moved to adopt Resolution 2021-30, denying the appeal (case number APPE21-00001), amending Planning and Zoning Commission's approval, with conditions, of case number PZ21-00012 (CUP), Running River School, at 580 Brewer Road, based on compliance with all ordinance requirements and satisfaction of the Conditional Use Permit findings and applicable Land Development Code requirements and the conditions as amended by the Planning and Zoning Commission, and subject to the following additional conditions: Condition Number 6 is amended to read: 6. The Conditional Use Permit shall expire on July 31, 2023. Prior to the expiration date, the applicant or property owner may file a renewal application of the Conditional Use Permit. The application shall be reevaluated at a public hearing based on consistency with City ordinances, the conditions of approval, and compatibility with the surrounding area. Seconded by Councilor Williamson. Vote: Motion carried unanimously with seven (7) in favor**

**(Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

Break at 6:41 p.m. Reconvened at 7:00 p.m.

**b. AB 2749 Public hearing/discussion/possible action regarding adoption of a Resolution and Ordinance updating the City of Sedona's Consolidated Fee Schedule.**

Presentation by Karen Osburn.

Questions from Council.

Opened the public hearing at 7:02 p.m.

No comments were received.

Closed the public hearing, and brought back to Council at 7:02 p.m.

Further questions and comments from Council.

**Motion: Councilor Williamson moved to approve Resolution No. 2021-31 creating a public record entitled "2021 Amendments to the Sedona Consolidated Fee Schedule." Seconded by Councilor Kinsella. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

**Motion: After first reading, Councilor Williamson moved to approve Ordinance No. 2021-10, adopting proposed changes to the Consolidated Fee Schedule. Seconded by Councilor Kinsella. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

**c. AB 2748 Discussion/possible action regarding the approval of a five-year service agreement with MV Transportation Inc. for the provision of Trailhead Shuttle & Microtransit services.**

Presentation by Robert Weber, Karen Osburn, and Darren Hoover, Regional Vice President of MV Transportation Inc.

Questions and comments from Council.

**Motion: Vice Mayor Jablow moved to approve a five-year service agreement with MV Transportation Inc. to operate the Trailhead Shuttle & Microtransit services, subject to approval of the City Attorney. Seconded by Councilor Thompson. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

**d. AB 2752 Discussion/possible action regarding approval of a contract with Housing Solutions of Northern Arizona (HSNA) to provide homeownership education and counseling and administer down-payment assistance programs in the amount of \$60,000 annually.**

Presentation by Shannon Boone and Devonna McLaughlin of HSNA.

Questions and comments from Council.

**Motion: Councilor Williamson moved to approve the contract with Housing Solutions of Northern Arizona (HSNA) in the amount of \$60,000 annually to provide homeownership education and counseling and administer down-payment assistance programs. Seconded by Councilor Kinsella. Vote: Motion carried unanimously with seven (7) in favor (Moriarty, Jablow, Kinsella, Lamkin, Ploog, Thompson, Williamson) and zero (0) opposed.**

- e. AB 2571 Discussion/possible direction regarding issues surrounding the COVID-19 pandemic and the City's response.**

Presentation by Karen Osburn.

Questions and comments from Council.

**Presentation and discussion only. No action taken.**

- f. Reports/discussion regarding Council assignments – None.**
- g. Discussion/possible action regarding future meeting/agenda items - None.**
- 9. Executive Session**

**Upon a public majority vote of the members constituting a quorum, the Council may hold an Executive Session that is not open to the public for the following purposes:**

- a. To consult with legal counsel for advice on matters listed on this agenda per A.R.S. § 38-431.03(A)(3).**
- b. Return to open session. Discussion/possible action on executive session items.**

No Executive Session was held.

## **10. Adjournment**

Mayor Moriarty adjourned the meeting at 8:02 p.m. without objection.

**I certify that the above are the true and correct actions of the Regular City Council Meeting held on November 23, 2021.**

\_\_\_\_\_  
Susan L. Irvine, CMC, City Clerk

\_\_\_\_\_  
Date



## City of Sedona Proclamation Request Form

<b>Full Name of Contact Person</b>	Carol L. Gandolfo, PsyD
<b>Contact Phone Number</b>	928-961-6535
<b>Contact Mailing Address</b>	P.O. Box 3222, Sedona 86339
<b>Contact Email Address</b>	carolgandolfo4950@gmail.com
<b>Group, Organization, Activity or Event Being Recognized</b> (Please make sure you provide complete and current information about the group or event)	Coalition Against Human Trafficking of Northern AZ. We provide education and awareness on human/sex trafficking.
<b>Website Address</b> (if applicable)	CAHT-NAZ.org
<b>Name of the sponsor(s) of the Proclamation</b> (2 Council members or the City Manager)	Scott Jablow, City Council Tom Lamkin, City Council
<b>What is the proclaimed day, days, week or month?</b> (e.g. 10/11/12, October 11-17, 2012, October 2012)	Month of January 2022
<b>Would you like to attend a Council meeting for formal presentation of the Proclamation or would you like to pick it up?</b>	<input checked="" type="checkbox"/> Presentation at Meeting <input type="checkbox"/> Pick up Proclamation
<b>If you would like the Proclamation presented at a Council meeting, please provide the full name and contact information (phone number and email address) of the party who will accept it on behalf of the group.</b>	Carol L. Gandolfo 928-961-6535



**Provide information about the organization/event including a mission statement, founding date, location and achievements.**

Our Mission:

The Coalition Against Human Trafficking-Northern Arizona is a nonprofit grass roots organization dedicated to combating human trafficking in our communities through increasing awareness about this growing problem. Our mission is to educate, provide a networking platform and collectively partner with diverse groups including law enforcement, schools, community organizations, businesses, faith-based organizations, government agencies, first responders and service providers to help eradicate human trafficking.

Our History:

The Coalition Against Human Trafficking–Northern AZ grew out of meetings first held in Sedona in the summer of 2015. Incorporated in October of 2016 as the Verde Valley Coalition Against Human Trafficking, the organization’s 501(c)(3) status was approved in March of 2017. Realizing its efforts were reaching beyond the Verde Valley, in April of 2017 the organization changed its name to the Coalition Against Human Trafficking–Northern Arizona to reflect the larger scope of its activities.

Achievements: We have reached over 3,000 individuals in almost 200 organizations.

**Please explain why this Proclamation and any events accompanying it are important to the Community and are consistent with the City’s vision statement and Community Plan goals. What is the clear reason for the Proclamation and why are you requesting this honor? What activities/events are planned around this Proclamation and how do you plan to promote this to the community?**

Human trafficking is a world-wide issue and impacts every state in the nation. It is important that organizations like ours continue to provide education and awareness of this problem and teach others how to become aware and make the appropriate reports. The City of Sedona support is critical to our continued mission of making people aware of this problem and supporting victims in Arizona. We plan on providing future fundraising events that will provide materials to support our efforts and provide support to agencies that are there to provide services to victims in the Northern Arizona and the entire state. Will will continue to provide trainings to any and all organizations (churches, business organizations, schools, etc.) to bring awareness of these issues. We have worked on connecting Red Light Rebellion with the schools in educations students, teachers and students and we connected Safe Action with the Chamber and the Lodging Council to ensure our hotels are aware of this issue and know how to respond.

***Please include a draft of the proposed Proclamation with this request, preferably a Word file in electronic format.***

*Office of the Mayor*



**Proclamation  
Human Trafficking Awareness Month  
January 2022**

WHEREAS, human trafficking is a modern-day form of slavery involving the illegal trade of people for exploitation or commercial gain; and

WHEREAS, every year, millions of men, women, and children are trafficked in countries around the world including the United States; and

WHEREAS, it is estimated that human trafficking generates billions of dollars of profit per year, second only to drug trafficking as the most profitable form of transnational crime; and

WHEREAS, human trafficking is a hidden crime whose victims rarely seek help because of language barriers, fear of the traffickers, and/or fear of law enforcement; and

WHEREAS, traffickers use force, fraud, or coercion to lure their victims and force them into labor or commercial sexual exploitation; and

WHEREAS, traffickers look for people who are susceptible for a variety of reasons, including psychological or emotional vulnerability, economic hardship, lack of a social safety net, natural disasters, or political instability; and

WHEREAS, the trauma caused by the traffickers can be so great that many may not identify themselves as victims or ask for help, even in highly public settings; and

WHEREAS, the United States Senate designated January 11th as National Human Trafficking Awareness Day and other organizations have designated January as Human Trafficking Awareness Month.

NOW, THEREFORE, I, SANDY MORIARTY, MAYOR OF THE CITY OF SEDONA, ARIZONA, ON BEHALF OF THE SEDONA CITY COUNCIL, hereby proclaim January 2022 as "Human Trafficking Awareness Month" in the City of Sedona and offer our support for increasing public awareness of human trafficking.

Issued this 14<sup>th</sup> day of December, 2021.

\_\_\_\_\_  
Sandra J. Moriarty, Mayor

ATTEST:

\_\_\_\_\_  
Susan L. Irvine, CMC, City Clerk



**CITY COUNCIL  
AGENDA BILL**

**AB 2732  
December 14, 2021  
Consent Items**

**Agenda Item:** 3d  
**Proposed Action & Subject:** Approval of a Resolution approving the form of the federally taxable lease purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.

<b>Department</b>	Financial Services
<b>Time to Present</b>	N/A
<b>Total Time for Item</b>	
<b>Other Council Meetings</b>	May 11, 2021, August 10, 2021, September 28, 2021, November 23, 2021
<b>Exhibits</b>	A. Resolution B. Federally Taxable Lease Purchase Agreement C. Escrow Agreement

<b>City Attorney Approval</b>	Reviewed 12/6/2021 KWC	<b>Expenditure Required</b>	
		\$	Ranges from \$149,148.07 to \$151,411.87 (FY2023-FY2027 annual lease purchase payments)
<b>City Manager's Recommendation</b>	Approve the federally taxable lease purchase agreement with Zions Bancorporation, N.A., and authorizing the execution and delivery thereof.	<b>Amount Budgeted</b>	
		\$	(lease purchase payments to begin in FY2023)
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** At the August 10, 2021 Council meeting, Council approved the lease purchase of 5 trailhead shuttle transit vehicles through Zions Bank. On September 28, 2021, a Council Resolution for execution of the agreement was approved. In discussions with Zions Bank, it was determined that the lease purchase must be considered a taxable debt financing instead of a non-taxable debt financing. Similar to taxable vs. nontaxable bonds, the taxable debt financing is taxable to the bond holder or debt holder, which results in a slightly higher interest rate paid by the City. Staff discussed options with Zions Bank for keeping the lease purchase as nontaxable, but the changes to the contract with the shuttle bus operator were not practical and would have required reissuing the RFP for a contracted operator causing delays in

implementation. The interest rate for a taxable debt financing increases from 1.19% to 1.95% for an additional cost of \$15,325.43 over the 5 years.

**Community Plan Consistent:** Yes - No - Not Applicable

One of the six major outcomes of the Community Plan is to reduce traffic. In this section the Plan articulates what the community should look and feel like in 2020 and beyond. It envisions a robust transit system that offers residents and visitors an alternative to driving. Using transit is also one of six vision themes of the Plan.

**Climate Action Plan/Sustainability Consistent:** Yes - No - Not Applicable

The use of public transit reduces the number of passenger vehicle miles traveled, which results in overall lower carbon emissions. According to the City's Climate Action Plan (CAP), the second largest source of greenhouse gas emissions in Sedona is from the combustion of fossil fuels in vehicles and equipment. Within the transportation sector, the use of gasoline and diesel passenger vehicles by residents and visitors contribute the most to transportation emissions. Strategies for reducing these emissions focus on transitioning to electric and other low-carbon fuels and transitioning to alternative modes of travel such as carpooling, *public transit*, biking, and walking. One of the specific CAP strategies is improve and increase transit ridership.

**Board/Commission Recommendation:** Applicable - Not Applicable

**Alternative(s):**

## MOTION

**I move to:** approve Resolution No. 2021-\_\_, approving the form of the federally taxable lease purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.

**RESOLUTION NO. 2021-\_\_**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING A LEASE PURCHASE AGREEMENT WITH ZIONS BANCORPORATION, N.A., FOR FUNDS TO BE USED BY THE CITY TO LEASE/PURCHASE SHUTTLE BUSES; AND PROVIDING AUTHORIZATION FOR THE MAYOR TO EXECUTE AND DELIVER SAID AGREEMENT.**

WHEREAS, the City of Sedona (“City”) has determined that the leasing of the shuttle buses as described in the Lease Purchase Agreement is for a valid public purpose and is essential to the operations of the City; and

WHEREAS, the City Council has reviewed the form of the Lease Purchase Agreement and has found the terms and conditions thereof acceptable; and

WHEREAS, the City has taken the necessary steps to comply with legal bidding requirements to arrange for the leasing of such property.

NOW THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA AS FOLLOWS:

SECTION 1. That it is deemed in the best interest of the City of Sedona and the citizens thereof that the Lease Purchase Agreement for leasing/purchasing of shuttle buses be entered into, which agreement is now on file in the office of the City Clerk.

SECTION 2. That Mayor or designee is authorized to execute and deliver said Lease Purchase Agreement in substantially the form presented on behalf of the City. That City officers are authorized to may make such changes to the Lease Purchase Agreement and related documents and certificates as such officers deem necessary and to fulfill all obligations under the terms of the Lease Purchase Agreement.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 14<sup>th</sup> day of December, 2021.

\_\_\_\_\_  
Sandra J. Moriarty, Mayor

ATTEST:

\_\_\_\_\_  
Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Kurt W. Christianson, City Attorney

## FEDERALLY TAXABLE ARIZONA FIXED EQUIPMENT LEASE

Long Name of Entity: City of Sedona  
Address: 102 Roadrunner Drive  
City, State Zip: Sedona, AZ 86336  
Attention: Cherie Wright

Public Finance Office:

County: Coconino  
Amount: 710,125.00  
Rate: 1.95  
Maturity Date: December 15, 2026  
First Pmt Date: December 15, 2022  
Payment Dates: December 15  
Auto Extend: 5  
Governing Body: City Council  
Resolution Date: December, 2021  
Dated Date: January, 2022  
Day: 12th  
State: **Arizona**

**\$710,125.00**  
**City of Sedona**  
**FEDERALLY TAXABLE Lease Purchase Agreement**

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

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FEDERALLY TAXABLE LEASE/PURCHASE AGREEMENT

Dated as of January 12, 2022

by and between

**ZIONS BANCORPORATION, N.A.,**  
as Lessor

and

**CITY OF SEDONA,**  
as Lessee

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## FEDERALLY TAXABLE LEASE/PURCHASE AGREEMENT

THIS FEDERALLY TAXABLE LEASE/PURCHASE AGREEMENT, dated as of January 12, 2022, by and between Zions Bancorporation, N.A., a national banking association duly organized and existing under the laws of the United States of America, as lessor (the “Bank” or “Lessor”), and City of Sedona (the “Lessee”), a public agency of the State of Arizona (the “State”), duly organized and existing under the Constitution and laws of the State, as lessee;

### W I T N E S S E T H:

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

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

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

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

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

## ARTICLE I

### DEFINITIONS AND EXHIBITS

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

“Acquisition Amount” means \$710,125.00 and is the amount represented by Lessee to be sufficient to acquire the Leased Property and pay any ancillary costs associated therewith.

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

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

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

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

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

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

“Escrow Agreement” means the Escrow Agreement dated January 12, 2022 executed by Lessee, Bank and the Escrow Agent, pursuant to which the Escrow Account is established and administered. A copy of the Escrow Agreement shall be found in Exhibit G.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

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

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

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

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

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

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

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

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

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

(e) Compliance with Bidding Requirements. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property

pursuant to this Lease, or the Governing Body and the Lessee have complied with all such procurement and public bidding laws as may be applicable hereto.

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

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

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

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

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

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

(l) [RESERVED]

(m) [RESERVED]

(n) Reports to State. The Lessee has duly authorized and executed this Lease in accordance with A.R.S. section 35-501 and has filed with the State of Arizona all reports required thereunder relating to this Lease.

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

## ARTICLE III

### AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

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

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

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, which is also the date on which the Acquisition Amount is deposited with the Escrow Agent, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D, E, F and G 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 5 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), (c) or (e) with the final Renewal Term ending on December 15, 2026, 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.
- (e) Lessee may terminate this Lease at any time pursuant to A.R.S. § 38-511, to the extent applicable.

### 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), (c) or (e), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property, and the Lessee at the Bank's direction shall ship the Leased Property to the destination designated by the Bank by loading the Leased Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

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

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

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

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

## ARTICLE IV

### INSURANCE

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

SECTION 4.2 Damage to or Destruction of the Leased Property. If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.



ARTICLE V  
COVENANTS

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

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

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

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

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

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

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

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

SECTION 5.4 Modification of the Leased Property.

(a) Additions, Modifications and Improvements. The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Leased Property if such improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law; 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, and (B) will not adversely affect the validity of this Lease.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

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

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

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

corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

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

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

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

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

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

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

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

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

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

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

ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

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

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

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

ARTICLE IX

MISCELLANEOUS

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

If to Bank:

Zions Bancorporation, N.A.  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133  
Attention: Kirsi Hansen

If to the Lessee:

City of Sedona  
102 Roadrunner Drive  
Sedona, AZ 86336  
Attention: Cherie Wright

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

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

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

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

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

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

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

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

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

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of

the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

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

SECTION 9.12 Immigration. To the extent applicable and except as stated below, pursuant to the provisions of the Section 41-4401 of the Arizona Revised Statutes, and in accordance with federal law and Bank's practice, Bank hereby warrants and certifies that Bank complies with the Immigration Reform and Control Act of 1986 and employment with the Bank is contingent on the successful completion of the I-9 verification process and the E-Verify requirements of Section 23-214(A) of the Arizona Revised Statutes. Such employment with Bank is not contingent on any of the other requirements of Section 23-214(A). Bank does not knowingly employ any individuals in the United States who are not legally authorized to work in the United States. For associate confidentiality reasons, Bank generally does not disclose or allow the inspection of its personnel records of its associates to third parties, including I-9 or e-Verify documentation. However, if there are concerns about an individual's eligibility to perform work in connection with this Agreement, please contact Lessor in accordance with Section 9.1 of this Agreement and Lessor will investigate and respond to these concerns.

SECTION 9.13 Boycotting Israel. Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Bank hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If it is determined that Bank's certification above is false or that it has breached such agreement, Lessee may impose remedies as provided by law.

[SIGNATURE PAGES TO FOLLOW]

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

**ZIONS BANCORPORATION, N.A.** , as Lessor

By: \_\_\_\_\_  
Authorized Officer

**CITY OF SEDONA**, as Lessee

By: \_\_\_\_\_  
\_\_\_\_\_  
Title



EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE\*

**1. Interest.** Interest components payable on the principal amount outstanding have been computed at the rate of one and ninety-five hundredths percent ( 1.95 %) per annum calculated based on twelve 30-day months during a 360-day year.

**2. Payment Dates and Amounts.**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/12/2022	-	-	-	-	-
12/15/2022	138,602.99	1.950%	12,808.88	151,411.87	151,411.87
12/15/2023	139,933.58	1.950%	11,144.68	151,078.26	151,078.26
12/15/2024	141,612.33	1.950%	8,415.97	150,028.30	150,028.30
12/15/2025	143,680.78	1.950%	5,654.53	149,335.31	149,335.31
12/15/2026	146,295.31	1.950%	2,852.76	149,148.07	149,148.07
Total	\$710,124.99	-	\$40,876.82	\$751,001.81	-

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

Five (5) 2020 Starcraft Allstar 25' E450 Shuttle Buses

(VIN #s will follow once production of the buses are further along)

EXHIBIT D  
Opinion of Lessee's Counsel

To: Zions Bancorporation, N.A.  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133

As counsel for City of Sedona (“Lessee”), I have examined duly executed originals of the FEDERALLY TAXABLE Lease/Purchase Agreement (the “Lease”) dated this 12th day of January, 2022, between the Lessee and Zions Bancorporation, N.A. , Salt Lake City, Utah (“Bank”), and the proceedings taken by Lessee to authorize and execute the Lease (the “Proceedings”). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

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

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Attorney for Lessee

EXHIBIT E

SECURITY DOCUMENTS

[Attach Certificates of Title showing Zions Bancorporation, N.A. as the lien holder]

EXHIBIT F

DELIVERY AND ACCEPTANCE CERTIFICATE

To: Zions Bancorporation, N.A.  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133

Reference is made to the Lease/Purchase Agreement between the undersigned (“Lessee”), and Zions Bancorporation, N.A. (the “Bank”), dated January 12, 2022 , (the “Lease”) and to that part of the Leased Property described therein which comprises personal property (collectively, the “Equipment”). In connection therewith we are pleased to confirm to you the following:

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

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

Lessee:

**CITY OF SEDONA**

By: \_\_\_\_\_  
(Authorized Signature)

Date: \_\_\_\_\_

EXHIBIT G  
FORM OF ESCROW AGREEMENT

## FORM OF ESCROW AGREEMENT

This Escrow Agreement (this “Agreement”) dated January 12, 2022, by and among ZIONS BANCORPORATION, N.A., a national banking association (hereinafter referred to as “Lessor”), CITY OF SEDONA, a body politic and corporate of the State of Arizona (hereinafter referred to as “Lessee”), and ZIONS BANCORPORATION, National Association, a national banking association (hereinafter referred to as “Escrow Agent”).

Reference is made to that certain Federally Taxable Lease/Purchase Agreement, dated January 12, 2022, between Lessor and Lessee (hereinafter referred to as the “Lease”), covering the acquisition and lease of certain Leased Property described therein (the “Leased Property”). It is a requirement of the Lease that the Acquisition Amount be deposited with the Escrow Agent hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Leased Property costs.

The parties agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created a special trust fund to be known as the “City of Sedona Escrow Account” (the “Escrow Account”) to be held in trust by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof. On the date hereof, from proceeds of the Lease, Lessor has caused the amount of \$710,125.00 to be transferred to Escrow Agent for deposit into the Escrow Account.

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

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

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

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

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

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

(h) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys’ fees, in connection with such civil action, and shall be fully



protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

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

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

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

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

## 2. Acquisition of Property.

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

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

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and

the name of the person, firm or corporation to whom payment thereof is due. Each such requisition shall be signed by Cherie Wright (including her successors or anyone whom her successors may appoint to sign) of Lessee (an "Authorized Representative") and by Kirsi Hansen or her designees of Lessor, and shall be subject to the following:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1 certifying that:

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

2. Delivery to Lessor invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement); bills of sale (if title to such Leased Property has passed to Lessee); a description, and serial and/or VIN number for each item and any additional documentation reasonably requested by Lessor;

3. Deposit to Escrow Account. Upon execution of the Lease and the satisfaction of any conditions specified in the Lease or otherwise, Lessor will cause the Acquisition Amount of \$710,125.00 to be deposited into the Escrow Account. Lessee agrees to pay any costs with respect to the Leased Property in excess of amounts available therefor in the Escrow Account and to pay delivery costs in excess of amounts available therefor in the Escrow Account; provided, however, that any amount required for either such purpose shall be payable solely from moneys that have been appropriated by Lessee for such purpose.

4. Excessive Escrow Account. Any funds remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate, or upon a

termination of the Escrow Account as otherwise provided herein, shall be delivered by the Escrow Agent to Lessor, and Lessor shall apply such funds to amounts owed under the Lease.

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

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

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

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

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

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

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Escrow Agent may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent

of Lessor, allow Lessee to withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

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

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

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

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

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 23, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Fee Schedule; Initial Fee. \$1,500.00, annually.

9. Miscellaneous.

(a) Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This agreement may not be amended except in writing signed by

all parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to Lessor:                    ZIONS BANCORPORATION, N.A.  
   1 South Main Street 17<sup>th</sup> Floor  
   Salt Lake City, UT 84133  
   Attn: Jon Dunfield, Vice President

If to Lessee:                    City of Sedona  
   102 Roadrunner Dr.  
   Sedona, AZ 86336  
   Attn: Cherie Wright

If to Escrow Agent:        ZIONS BANCORPORATION, National Association  
   Corporate Trust Department  
   6001 North 24<sup>th</sup> Street, Bldg. B  
   Phoenix, AZ 85016  
   Attn: April Holland, Corporate Trust Officer

(b) As required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the District may, within three (3) years of the execution hereof, cancel this Agreement without penalty or further obligations, if any person significantly involved in initiating, negotiation, securing, drafting or creating this Agreement on behalf of the District is, at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of the Escrow Agent or a consultant to the Escrow Agent with respect to the subject matter of this Agreement. The cancellation shall be effective when written notice from the District is received by the Escrow Agent unless the notice specifies a later time.

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

ZIONS BANCORPORATION, N.A.  
as Lessor

CITY OF SEDONA  
as Lessee

By: \_\_\_\_\_  
\_\_\_\_\_, Vice President

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ZIONS BANCORPORATION, National Association  
as Escrow Agent

By: \_\_\_\_\_  
April Holland, Corporate Trust Officer

**SCHEDULE 1**

**TO THE ESCROW AGREEMENT**

**FORM OF DISBURSEMENT REQUEST**

Re: Federally Taxable Lease/Purchase Agreement, dated January 12, 2022 (the “Lease”), between ZIONS BANCORPORATION, N.A., as Lessor, and CITY OF SEDONA, as Lessee (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow Agreement, dated January 12, 2022 (the “Escrow Agreement”) by and among ZIONS BANCORPORATION, N.A., a national banking association (“Lessor”), CITY OF SEDONA (“Lessee”) and ZIONS BANCORPORATION, National Association, (the “Escrow Agent”), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow Agreement for the following purposes:

PAYEE’S NAME AND ADDRESS	INVOICE NUMBER	DOLLAR AMOUNT	PURPOSE (INCLUDE SERIAL AND/OR VIN NUMBER)

The undersigned hereby certifies as follows:

(i) The date on which “acceptance” occurred with respect to the portion of the Leased Property for which disbursement is hereby requested is \_\_\_\_\_, and such portion of Leased Property is hereby accepted by Lessee for all purposes of the Lease.

(ii) An obligation in the stated amount has been incurred by Lessee, and the same is a proper charge against the Escrow Account for costs relating to the Leased Property identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof), and the Leased Property relating to such obligation has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee. Lessee has conducted such inspection and/or testing of the Leased Property relating to such obligation as it deems necessary and appropriate in order to determine the

Leased Property's capability and functionality in order to accept such Leased Property. Attached hereto is the original invoice with respect to such obligation.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Leased Property is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vii) No Material Adverse Change in Lessee's financial condition shall have occurred since the date of the execution of the Lease.

(ix) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

Disbursement of funds from the Escrow Account in accordance with the foregoing Disbursement Request hereby is authorized

ZIONS BANCORPORATION, N.A.,  
as Lessor under the Lease

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_





**CITY COUNCIL  
AGENDA BILL**

**AB 2751  
December 14, 2021  
Consent Items**

**Agenda Item: 3e**

**Proposed Action & Subject:** Approval of a Resolution authorizing an Intergovernmental Agreement for Arizona Emergency Management Aid Compact (AZMAC) between the Sedona Police Department and the State of Arizona.

<b>Department</b>	Police
<b>Time to Present</b>	N/A
<b>Total Time for Item</b>	
<b>Other Council Meetings</b>	October 27, 2021
<b>Exhibits</b>	A. Resolution B. Agreement

<b>City Attorney Approval</b>	Reviewed 12/6/2021 KWC	<b>Expenditure Required</b>	
		\$	0
<b>City Manager's Recommendation</b>	Approve the Resolution authorizing an Intergovernmental Agreement for Arizona Emergency Management Aid Compact (AZMAC) between the Sedona Police Department and the State of Arizona.	<b>Amount Budgeted</b>	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** The Arizona Emergency Management Master Mutual Aid Compact (AZMAC) was signed on March 16, 2004, between the State of Arizona and the fifteen Arizona counties. The purpose of the AZMAC is to identify the terms and procedures for executing mutual aid in times of emergencies. Jurisdictions such as Tribal Nations, political subdivisions, incorporated cities and towns, public education districts, fire districts, and other tax levying public improvement districts are encouraged to participate.

With the transition of emergency managers in Coconino and Yavapai counties, as well as the transition within the City of Sedona, the City has not signed this agreement with the Arizona Department of Emergency Management (DEMA). During their review of the City of Sedona's Emergency Operations Plan, DEMA identified the need for the City of Sedona to sign the Intergovernmental Agreement for mutual aid.

The IGA will be an appendix referenced in the City of Sedona Emergency Operations Plan.

**Community Plan Consistent:**  Yes -  No -  Not Applicable

**Climate Action Plan/Sustainability Consistent:**  Yes -  No -  Not Applicable

**Board/Commission Recommendation:**  Applicable -  Not Applicable

**Alternative(s):**

## **MOTION**

**I move to:** approve Resolution 2021-\_\_ authorizing an Intergovernmental Agreement for Arizona Emergency Management Aid Compact (AZMAC) between the Sedona Police Department and the State of Arizona.

**RESOLUTION NO. 2021-\_\_\_**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA,  
ARIZONA APPROVING THE INTERGOVERNMENTAL AGREEMENT WITH THE  
STATE OF ARIZONA FOR ARIZONA MUTUAL AID COMPACT (“AZMAC”).**

WHEREAS, one or more parties to this Compact may find it necessary to utilize all of their own resources to cope with emergencies and may require the assistance of another party or other parties; and,

WHEREAS, it is desirable that all resources of political subdivisions, municipal corporations, tribes, and other public agencies be made available to respond to such emergencies; and,

WHEREAS, it is desirable that each of the parties hereto should assist one another when such emergency occurs by providing such resources as are available and needed including, but not limited to, fire, police, medical and health, environmental, communication, and transportation services to cope with the problems of response; and,

WHEREAS, it is desirable that a compact be executed for the interchange of such mutual aid; and,

WHEREAS, it is desirable to utilize this agreement in exercising adopted emergency plans; and,

WHEREAS, it is desirable that the manner of financing of such cooperative undertakings be resolved in advance of such emergency.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA, THAT:

The City of Sedona, through its Mayor and Council, hereby approves the Intergovernmental Agreement with the State of Arizona for Arizona Mutual Aid Compact and authorizes the Mayor to execute said agreement on behalf of the City of Sedona, Arizona.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 14<sup>th</sup> day of December, 2021.

\_\_\_\_\_  
Sandra J. Moriarty, Mayor

ATTEST:

\_\_\_\_\_  
Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Kurt W. Christianson, City Attorney

## COMPACT

### 1. Purpose.

The purpose of this Compact is to define for the participating parties the emergency management terms and procedures which will be used among participating parties for dispatching mutual aid assistance to any affected area in accordance with local ordinances, resolutions, emergency plans or agreements. Contracting authority for political subdivisions of Arizona for this Compact is based upon A.R.S. § 26-308 which provides that each county and incorporated city and town of the state may appropriate and expend funds, make contracts and obtain and distribute equipment, materials and supplies for emergency management purposes. Tribal contracting authority will be in accordance with each Tribe's laws. Special District authority will be in accordance with their respective laws. Public education district authority is based on A.R.S. § 15-342(13) and A.R.S. § 11-952. This Agreement shall be construed in accordance the laws of the State of Arizona.

### 2. Scope.

The Scope of this Compact is to (1) provide the procedures to notify the Providing Parties of the need for emergency assistance; (2) to identify available resources; and, (3) to provide a mechanism for compensation for resources.

### 3. Definitions.

- **Automatic Mutual Aid** means the automatic dispatch and response of requested resources without incident specific approvals. These agreements are usually basic contracts; some may be informal accords.
- **Backfill** means replacement of the Requesting Party's personnel who perform the regular duties of other personnel while they are performing eligible emergency work.
- **Compact** means this document, the Arizona Mutual Aid Compact (AZMAC).
- **Director** is the Director of the Department of Emergency and Military Affairs (DEMA).
- **Emergency** or **Emergencies** means any disaster, emergency, or contingency situation which requires a collaborative effort among multiple Jurisdictions.
- **Exercise** is the exercising of adopted emergency plans utilizing the Homeland Security Exercise and Evaluation Program (HSEEP)
- **Jurisdiction** means an entity, including Political Subdivisions and tribal governments, which (1) has the authority to act, within a defined geographical area especially in times of emergency and (2) is a party to this Compact.

- **Local Mutual Aid** are agreements between neighboring jurisdictions or organizations that involve a formal request for assistance and generally cover a larger geographic area than automatic mutual aid.
- **Political Subdivision** means any county, incorporated city or town, fire district, or public education district, irrigation, power, electrical, agricultural improvement, drainage, and flood control districts, and other tax levying public improvement districts.
- **Providing Party** means the Jurisdiction providing aid in the event of an emergency.
- **Requesting Party** means the Jurisdiction requesting aid in the event of an Emergency.
- **Self-deployed** means to respond to an emergency without being requested by the Requesting Party.

#### 4. **Guiding Policy.**

- Arizona Revised Statute (A.R.S.), Title 26, Military Affairs and Emergency Management.
- Arizona Administrative Code (A.A.C.), Title 8, Emergency and Military Affairs.
- National Incident Management System (NIMS), 2008

#### 5. **Procedures for Requesting Assistance.**

A Requesting Party which needs assistance in excess of its own resources and existing automatic mutual aid or local mutual aid due to an emergency is authorized to request assistance from any party to this Compact. However, when making such requests, consideration shall be given to, and requests made, based on, but not limited to, the geographical proximity of other jurisdictions with that of the jurisdiction requesting assistance. All requests for assistance from the State must be coordinated through the Requesting Party's county emergency operations center, or tribal emergency operations center (whichever is applicable).

Requests should specify what the emergency is, what resources are needed and the estimated period of time during which such mutual aid shall be required, if known. Please use the Resource Request form provided in Appendix A.

#### 6. **Providing Party's Assessment of Availability of Resources and Ability to Render Assistance.**

Subject to the terms of this Compact, the Providing Party shall make reasonable efforts to assist the Requesting Party. In all instances, the Providing Party shall render such mutual aid as it is able to provide consistent with its own service needs at the time, taking into

consideration the Providing Party's existing commitments within its own jurisdiction. The Providing Party shall be the sole judge of what mutual aid it has available to furnish to the Requesting Party pursuant to this Compact.

**7. Implementation Plan.**

Each party should develop an emergency operations plan that includes a process to provide for the effective mobilization of its resources, both public and private, including acceptance of mutual aid to provide or receive assistance under this Compact.

**8. Contact List.**

Each Party shall develop a contact list as outlined in Appendix B, which shall be provided to the Director for distribution to all other parties to this Compact.

**9. Reimbursement Procedures between Parties.**

If the Providing Party desires reimbursement for the assistance they are providing, the Requesting Party shall reimburse the Providing Party for all costs incurred in the mutual assistance, whether an incident has been declared an emergency or not. The Providing Party must declare its intent to seek reimbursement as part of their response to the Requesting Party's request for assistance (see Appendix A: Resource Request forms). The Providing Party and the Requesting party shall agree upon allowable costs for mutual assistance prior to the dispatch of any mutual assistance resources. Unless otherwise negotiated by the parties involved, the parties may reference the state allowable costs as defined in A.A.C. Title 8 (as may be amended from time to time). If the assistance is authorized and accepted, the Requesting Party shall reimburse the Providing Party all allowable costs of labor, equipment, and materials that have actually been expended during the execution of the mission assignment, after receipt of an itemized voucher and documentation is received.

If there has been a declaration of emergency from the Governor and/or President, the Requesting Party may be eligible for reimbursement for these mutual aid costs under the state or federal declaration of emergency. See item 10.

**10. Reimbursement Procedures from the State.**

If the Governor and/or President have declared an emergency, the Requesting Party can prepare an itemized voucher and documentation of all paid allowable costs including all the cost of the mutual aid resources reimbursed to any Providing Parties under this Compact, for submittal to the State for consideration for reimbursement in accordance with A.A.C. Title 8 (as may be amended from time to time). As per A.A.C. Title 8, R8-2-301, sub-parts 1, 12 & 15, only state agencies and political subdivisions are eligible to receive reimbursement under a Governor's Declaration. Any Tribal Nations as the Requesting Party would need to seek reimbursement under a Presidential Declaration. Any Tribal Nations as the Providing Party

would seek reimbursement from the Requesting Party as outlined in Item 9.

The state is not liable for any claim arising from an emergency for which the applicant receives funds from another source (A.A.C. Title 8, R8-2-312).

Self-deployed resources will not be reimbursed.

**11. Personnel Compensation and Insurance.**

The Requesting Party and the Providing Party shall be responsible for all compensation and insurance coverage of their respective employees and equipment.

**12. Immunity.**

The parties shall have such immunity as provided by applicable state, federal or tribal law.

**13. Indemnification.**

Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. This compact is between Governmental entities. Should a signatory to this agreement use a contractor for any purpose, said contractor would be required to abide by ADOA Risk Management insurance requirements which are attached as Appendix C.

**14. Term.**

This Compact shall be effective on the date it is recorded with the Secretary of State. Except as otherwise provided in this Compact, this Compact shall terminate ten years after the effective date. This Compact, upon mutual consent of the parties may be extended for a period of time not to exceed 10 years. Any modification or time extension of this Compact shall be by formal written amendment and executed by the parties hereto.

**15. ADA.**

Each party shall comply with applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 United States Code. 12101-12213) and all applicable federal regulations under the Act, including 28 Code of Federal Regulation Parts 35 and 36.

**16. Non-Discrimination.**

To the extent of the law the Parties shall comply with Executive Order 2009-9, which mandates that all persons, regardless of race, color, religion, sex, age, or national origin not mentioned in Order shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

**17. Compliance with Laws.**

Each party shall comply with all federal, tribal, state and local laws, rules, regulations, standards and Executive Orders, as applicable, without limitation to those designated within this Compact. Any changes in the governing laws, rules and regulations during the terms of this Compact shall apply but do not require an amendment.

**18. Worker's Compensation.**

Each Party herein shall comply with the provisions of A.R.S §23-1022(E) by posting the public notice required. As provided for in A.R.S. §23-1022(D), an employee of a public agency who works under the jurisdiction or control of or within the jurisdictional boundaries of another public agency pursuant to a specific intergovernmental agreement or contract entered into between the public agencies is deemed to be an employee of both public agencies. However, the primary employer is solely liable for the payment of Workers' Compensation benefits. As such, each Party shall maintain Workers' Compensation insurance coverage on all of its own employees providing services pursuant to this agreement.

**19. Insurance.**

Each Party shall bear the risk of its own actions, as it does with all its operations, and shall determine for itself an appropriate level of insurance coverage and maintain such coverage. Nothing in this Agreement shall be construed as a waiver of any limitation on liability that may apply to a Party.

**20. Non-appropriation.**

Every payment obligation of the Parties under this Agreement is conditioned upon the availability of funds appropriated and allocated for the payment of such obligation. If funds are not appropriated, allocated and available or if the appropriation is changed by the legislature resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated by the Parties at the end of the period for which funds are



available. No liability shall accrue to the Party in the event this provision is exercised, and neither Party shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

**21. No Third Party Beneficiaries.**

Nothing in the provisions of this Compact is intended to create duties or obligations to or rights in third parties not parties to this Compact or affect the legal liability of any party to the Compact by imposing any standard of care different from the standard of care imposed by law.

**22. Entire Compact.**

This document constitutes the entire Compact between the parties pertaining to the subject matter hereof. This Compact shall not be modified, amended, altered or extended except through a written amendment signed by the parties and recorded with the Arizona Secretary of State or Tribal government as appropriate.

**23. Jurisdiction.**

Nothing in this Compact shall be construed as otherwise limiting or extending the legal jurisdiction of any party. Nothing in this Compact is intended to confer any rights or remedies to any person or entity that is not a party.

**24. Conflict of Interest.**

The requirements of A.R.S. § 38-511 apply to this Agreement. The Parties may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Party is, at any time while this Agreement or any extension is in effect, an employee, agent or consultant of Party with respect to the subject matter of this Agreement.

**25. Supervision and Control.**

Management of an emergency shall remain with the jurisdiction in which the emergency occurred. Supervision and control of Providing Parties' personnel and equipment shall be in accordance with National Incident Management System. The Requesting Party will be responsible for providing supplies and services, such as food, shelter, gasoline and oil, for on-site use of equipment and for the personnel providing assistance. All equipment and personnel used pursuant to this Compact shall be returned to the Providing Party upon being released by the Requesting Party or on demand of the Providing Party for such return.

**26. Severability: Effect on Other Agreements.**

It is expressly understood that this Compact shall not supplant existing agreements between some of the parties, which do provide for the exchange or furnishing of certain types of services on a compensated basis.

**27. Severability.**

If any provision of this Compact is held to be invalid or unenforceable, the remaining provisions shall continue to be valid and enforceable to the full extent permitted by law.

**28. Responsibility of the Department of Emergency and Military Affairs.**

Nothing within this Compact limits or restricts the duties and obligations the State of Arizona may have to respond to the emergency of any party.

**29. Effective Date.**

This Compact shall become effective as to each party when adopted by resolution and executed by the governing body of the jurisdiction, and shall remain operative and effective as between each and every party that has heretofore or hereafter executed this Compact, until participation in this Compact is terminated by the party. The termination by one or more of the parties of its participation in this Compact shall not affect the operation of this Compact as between the other parties thereto. The Director shall identify on their website, with updates as needed, all parties signatory to this Compact.

**30. Execution Procedure.**

Execution of this Compact shall be as follows:

This Compact, which will be designated as "ARIZONA MUTUAL AID COMPACT," shall be executed in counterparts by the governing body of each party. Upon execution, the counterpart will be filed with the Secretary of State and the Tribal government as applicable and be provided to the Director. This Compact will be effective between all parties who execute this Compact even if it is not executed by all eligible jurisdictions.

**31. Termination.**

Termination of participation in this Compact may be effected by any party as follows:

Notice of termination will be given to the Director 20 days prior to termination.

Any party may, by resolution of its governing body, terminate its participation in this Compact and file a certified copy of such resolution with the Secretary of State or the Tribal government, with a copy to be provided to the Director.

The parties to this Compact understand and acknowledge that this Compact is subject

to cancellation by any party pursuant to A.R.S. § 38-511 or applicable Tribal law.

**32. Dispute Resolution.**

The Parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

**33. Record Retention**

Pursuant to A.R.S. §§ 35-214 and 35-215, the Parties shall retain all records relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the State of Arizona at reasonable times.

**ARIZONA MUTUAL AID COMPACT  
SIGNATURE PAGE**

**IN WITNESS WHEREOF**, the parties hereto each sign this Arizona Mutual Aid Compact signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction to participate in the Compact by formal approval of the jurisdiction's governing body.

\_\_\_\_\_  
(Signing Authority)

\_\_\_\_\_  
Date

ATTEST: \_\_\_\_\_  
(Attesting Authority)

\_\_\_\_\_  
Date

Date of formal approval by governing body: \_\_\_\_\_

Pursuant to A.R.S. § 11-952(D) or applicable Tribal law, the attorney for the above entity has determined that the foregoing Compact is in proper form and is within the powers and authority of the entity as granted under the laws of this State and the applicable Tribal government.

\_\_\_\_\_  
(Attorney)

\_\_\_\_\_  
Date

**Appendix A**

**ARIZONA MUTUAL AID COMPACT (AZMAC)  
EMERGENCY MANAGEMENT RESOURCE REQUEST**

Date of Request	Requesting Agency Tracking Number
Requesting Organization	Organization Point of Contact
	Work Cell E-Mail
Requested Resource Type/Kind	Quantity Unit of Measure Date/Time Required

**Resource must come with:**

- |                                      |                                  |                                      |                                      |
|--------------------------------------|----------------------------------|--------------------------------------|--------------------------------------|
| <input type="checkbox"/> Fuel        | <input type="checkbox"/> Meals   | <input type="checkbox"/> Operator(s) | <input type="checkbox"/> Water       |
| <input type="checkbox"/> Maintenance | <input type="checkbox"/> Lodging | <input type="checkbox"/> Power       | <input type="checkbox"/> Transporter |

**Mission**

**Special Instructions**

**Request Forwarded to**

Contact Name  
Organization/Agency  
Vendor  
Date/Time of Submission

**Request Approved by**

**Date**

\_\_\_\_\_

**Appendix A**

**ARIZONA MUTUAL AID COMPACT (AZMAC)  
EMERGENCY MANAGEMENT RESOURCE REQUEST**

Date of Request	Assisting Agency Tracking Number
Assisting Organization	Organization Point of Contact
	Work Cell E-Mail
Requested Resource Type/Kind	Quantity Unit of Measure Date/Time Required

**Offer**

Travel Costs Equipment Costs Commodities
--

**Personnel**

F. Name	L. Name	Phone	E-Mail	Regular Salary/ Hourly Rate	Regular Fringe Benefit Hourly Rate	Overtime Salary/ Hourly Rate	Overtime Fringe Benefit Hourly Rate

**Estimated Resource Cost**

\_\_\_\_\_

Providing Party Agency Representative Signature and Date

\_\_\_\_\_  
Representative Name and Title (Print)

\_\_\_\_\_  
Signature & Date

Requesting Party Agency Representative Signature and Date

\_\_\_\_\_  
Representative Name and Title (Print)

\_\_\_\_\_  
Signature & Date

**Appendix B**

**ARIZONA MUTUAL AID COMPACT (AZMAC)  
POINTS OF CONTACT**

Date:

Name of Jurisdiction:

Mailing Address:

City, State, Zip Code:

**Authorized Representatives to Contact for Mutual Aid Assistance**

	Primary Contact	1 <sup>st</sup> Alternate	2 <sup>nd</sup> Alternate
Name			
Title			
24-Hr Phone No.			
Address			
Day Phone No.			
Night Phone No.			
Fax No.			
Email			

## Appendix C

### ARIZONA MUTUAL AID COMPACT (AZMAC) USE OF A CONTRACTOR

In addition, each signatory shall cause its contractor(s) and subcontractors, if any, to defend, indemnify, and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of signatory's contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable."

#### **Insurance Requirements for Governmental Parties:**

None.

#### **Insurance Requirements for Any Contractors Used by a Party to the Intergovernmental Agreement:**

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.



**A. Minimum Scope and Limits of Insurance:** Contractor shall provide coverage with limits of liability not less than those stated below.

**1. Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Damage to Rented Premises \$ 50,000
- Each Occurrence \$1,000,000

a. The policy shall be endorsed (Blanket Endorsements are not acceptable) to include the following additional insured language: “The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.” Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

b. Policy shall contain a waiver of subrogation endorsement (Blanket Endorsements are not acceptable) in favor of the “State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees” for losses arising from work performed by or on behalf of the Contractor.

**2. Business Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

a. The policy shall be endorsed (Blanket Endorsements are not acceptable) to include the following additional insured language: “The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising

out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor". Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

- b. Policy shall contain a waiver of subrogation endorsement (Blanket Endorsements are not acceptable) in favor of the "State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

- c. Policy shall contain a severability of interest provision.

**3. Worker's Compensation and Employers' Liability**

• Workers' Compensation	Statutory
• Employers' Liability	
Each Accident	\$1,000,000
Disease – Each Employee	\$1,000,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement (Blanket Endorsements are not acceptable) in favor of the "State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**B. Additional Insurance Requirements:** The policies are to contain, or be endorsed (Blanket Endorsements are not acceptable) to contain, the following provisions:

- 1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S § 41-621 (E).

2. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the IGA.
- C. Notice of Cancellation:** With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to the Department and shall be sent by certified mail, return receipt requested.
- D. Acceptability of Insurers:** Contractors insurance shall be placed with companies licensed in the State of Arizona. Insurers shall have an "A.M. Best" rating of not less than A- VII or duly authorized to transact Workers' Compensation insurance in the State of Arizona. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. Verification of Coverage:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.
- All certificates and endorsements (Blanket Endorsements are not acceptable) are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.
- All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.
- F. Subcontractors:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

- G.** Approval: Any modification or variation from the *insurance requirements* in any Intergovernmental Agreement must have prior approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
- H.** Exceptions: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.



**CITY COUNCIL  
AGENDA BILL**

**AB 2754  
December 14, 2021  
Consent Items**

**Agenda Item:** 3f  
**Proposed Action & Subject:** Approval of a recommendation regarding an application for a Series 10 Beer and Wine Store Liquor License for Matterhorn Inn located at 230 Apple Avenue, Sedona, AZ (File #168576).

<b>Department</b>	City Clerk
<b>Time to Present</b>	N/A
<b>Total Time for Item</b>	
<b>Other Council Meetings</b>	N/A
<b>Exhibits</b>	Liquor License Application is available for review in the City Clerk's office.

City Attorney Approval	Reviewed 12/6/2021 KWC	<b>Expenditure Required</b>	
		\$	0
City Manager's Recommendation	Approve a recommendation regarding an application for a Series 10 Beer and Wine Store Liquor License for Matterhorn Inn located at 230 Apple Avenue, Sedona, AZ (File #168576).	<b>Amount Budgeted</b>	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** State liquor laws require Sedona's City Council to forward a recommendation for approval or denial of applications for liquor licenses.

The City received an application for a new Series 10 Beer and Wine Store Liquor for Matterhorn Inn located at 230 Apple Avenue, Sedona, AZ (File #168576). The application is available for review and inspection in the City Clerk's office or by email.

A Series 10 Liquor License (Beer and Wine) is a non-transferable, off-sale retail privileges liquor license that allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises. A retailer with off-sale privileges may deliver spirituous liquor off of the licensed premises in connection with a retail sale. Payment must be made no later than the time of delivery.

Community Development, Finance, the Sedona Police Department (SPD), and Sedona Fire District (SFD) have conducted a review of the application. No objections regarding its approval were noted.

**Community Plan Consistent:** Yes - No - Not Applicable

**Climate Action Plan/Sustainability Consistent:** Yes - No - Not Applicable

**Board/Commission Recommendation:** Applicable - Not Applicable

**Alternative(s):** Recommend denial of a new Series 10 Beer and Wine Store Liquor License for Matterhorn Inn located at 230 Apple Avenue, Sedona, AZ (File #168576). Reasons for a recommendation of denial would need to be specified.

## **MOTION**

**I move to:** recommend approval of a new Series 10 Beer & Wine Store Liquor License for Matterhorn Inn located at 230 Apple Avenue, Sedona, AZ (File #168576).



**CITY COUNCIL  
AGENDA BILL**

**AB 2756  
December 14, 2021  
Consent Items**

**Agenda Item:** 3g  
**Proposed Action & Subject:** Approval of award of a Professional Services Contract with Kimley-Horn and Associates in the approximate amount of \$288,936 for the design of the Ranger Road/Brewer Road Intersection and Ranger Road Extension Improvements.

<b>Department</b>	Public Works
<b>Time to Present</b>	N/A
<b>Total Time for Item</b>	
<b>Other Council Meetings</b>	None
<b>Exhibits</b>	A. Contract

<b>City Attorney Approval</b>	Reviewed 12/6/2021 KWC	<b>Expenditure Required</b>		
		\$	288,936	
<b>City Manager's Recommendation</b>	Approve award of a Professional Services Contract with Kimley-Horn and Associates in the amount of \$288,936, for the Ranger Road / Brewer Road Intersection, and Ranger Road Extension Improvements.	<b>Amount Budgeted</b>		
		\$	339,300 (total design costs budgeted for FY2022 and F20Y23)	
		Account No. (Description)	22-5320-89-6877 (\$222,821) 48-5320-89-6877 (\$116,479) SIM-05d - Ranger Road/Brewer Road Intersection & Ranger Ext	
		Finance Approval	<input checked="" type="checkbox"/>	

**SUMMARY STATEMENT**

Staff is requesting approval of a professional services design contract with Kimley-Horn and Associates in the amount of \$288,936 for the Ranger Road/Brewer Road Intersection and Ranger Road Extension Improvements.

**Background:** The past improvements of SR 179 have resulted in additional traffic on Ranger and Brewer Roads, while traffic volumes are nearing capacity at the “Y” roundabout. Future increases in traffic and additional road connections will require the intersection to be improved. The intent of the improvements would be to improve the safety and efficiency of the intersection and accommodate potential transit improvements via a Ranger Road extension through the proposed transit hub property to SR 89A opposite the Forest Road Extension.

The intersection improvements project has been included in the CIP for many years but is now being prioritized based on the recent developments with the transit program. It is anticipated the intersection improvements in conjunction with the Ranger Road extension will help alleviate SR 89A backups on Cook's Hill and provide for more efficient transit routes through the area. Further modeling will be done to determine how this intersection, and the Brewer Road / SR 89A intersection will be modified to reduce congestion.

**Community Plan Consistent:** Yes - No - Not Applicable

The Sedona in Motion program in general supports the six Vision Themes of the Sedona Community Plan.

- Environmental Stewardship: Conserves natural resources associated with wasteful vehicle operations due to congested travel time.
- Community Connections: Supports community connections through its emphases on public participation and involvement during design development and indirectly by improving mobility between gathering place in Uptown Sedona.
- Improved Traffic Flow: Reduces congestion and travel times and improves vehicle and pedestrian safety.
- Walkability: Reduces vehicle and pedestrian conflicts improving walkability and safety.
- Economic Diversity: Improves local resident and visitor access through multimodal transportation options and connections.
- Sense of Place: 1% of project expenditures will go towards the development of arts, cultural, or heritage. Projects will be built consistent with local codes and with intention on preserving or complimenting the natural and scenic beauty of Sedona.

**Climate Action Plan/Sustainability Consistent:** Yes - No - Not Applicable

Transit aims to remove vehicles from our roadways and reduce vehicle emissions. Additional connectivity will reduce travel times which minimizes wasteful vehicle operations.

**Board/Commission Recommendation:** Applicable - Not Applicable

**Alternative(s):** Not pursuing this project could result in continued delays on SR 89A northbound on Cook's Hill and could delay or preclude the ability to implement future transit routes.

## **MOTION**

**I move to:** approve award of a Professional Services Contract with Kimley-Horn and Associates in the amount of \$288,936 for the Ranger Road/Brewer Road Intersection and Ranger Road Extension Improvements.



**CONTRACT FOR PROFESSIONAL SERVICES  
FOR THE CITY OF SEDONA**

This contract is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, by and between the City of Sedona ("CITY") and Kimley-Horn and Associates, Inc. ("CONSULTANT").

1. A. The CONSULTANT agrees to perform certain consulting and coordinating services for CITY, in connection with the Ranger Road / Brewer Road Intersection, and Ranger Road Extension Improvements, as set forth in **Exhibit A** (attached).
  - B. CITY agrees to pay the CONSULTANT as compensation for services on a time and materials basis in accordance with the process and fee schedule set forth in **Exhibit A** not to exceed a total amount of \$288,936. If deemed necessary by CITY, the CONSULTANT and CITY will confer to further define specific tasks in the scope of work and estimate the amount of time to be spent on those tasks.
  - C. Any work that is different from or in addition to the work specified shall constitute a change in the scope of work. No such change, including any additional compensation, shall be effective or paid unless authorized by written amendment executed by the City Manager and by CONSULTANT. If CONSULTANT proceeds without such written authorization, CONSULTANT shall be deemed to have waived any claims of unjust enrichment, *quantum meruit* or implied contract. Except as expressly provided herein, no agent, employee or representative of CITY shall have the authority to enter into any changes or modifications, either directly or implied by a course of action, relating to the terms and scope of this contract.
2. Subject to Arizona Public Records Law, correspondence, reports and other documentation of CONSULTANT'S work shall be considered confidential information and will be distributed only to those persons, organizations or agencies specifically designated by CITY or its authorized representative, or as specifically required for completion of CONSULTANT'S task, or pursuant to a public records request under ARS 39-121 and related provisions. In the event such request is made for a commercial purpose, CITY will notify CONSULTANT for purposes of redaction or protection of proprietary work/confidential information.
  3. Except as otherwise set forth in this contract, billing and payment will be in accordance with the conditions set forth in **Exhibit A**. Invoices are due and payable upon receipt and are delinquent only thirty (30) days after the date received by CITY. Each invoice shall set forth a general description of the work performed, in accordance with the scope of work, for the hours billed. CONSULTANT may complete such work as it deems necessary, after termination, except that such work will be at its own expense and there shall be no "termination charge" whatsoever to CITY.
  4. Any fee required by any governmental agency in order for CONSULTANT to accomplish a task hereunder shall be provided by CITY and is not included in the hourly fee.
  5. In the event any term or provision of this contract is held to be illegal or in conflict with any law of the United States or Arizona or any local law, the validity of the remaining provisions shall not be affected, and this contract shall be construed and enforced as if it did not contain the particular term or provision,

6. OWNERSHIP OF DOCUMENTS. All documents, including, but not limited to, correspondence, estimates, notes, recommendations, analyses, reports and studies that are prepared in the performance of this contract are to be, and shall remain, the property of CITY and are to be delivered to CITY before the final payment is made to the CONSULTANT.
7. PROFESSIONAL RESPONSIBILITY. CONSULTANT hereby warrants that it is qualified to assume the responsibilities and render the services described herein and has all requisite corporate authority and professional licenses in good standing, required by law.
8. COMPLIANCE WITH LAW. It is contemplated that the work and services to be performed by CONSULTANT hereunder shall be done in compliance with applicable laws, ordinances, rules and regulations that are in effect on the date of this contract. Any subsequent changes in applicable laws, ordinances, rules or regulations that necessitate additional work shall constitute a change in the scope of work. It is unlawful for any business to operate if it is (1) physically located within the city limits, or (2) if it has an obligation to pay transaction privilege taxes (TPT) to the City of Sedona for the business it is conducting, without first having procured a current business license from the City and complying with any and all regulations of such business specified in the Sedona City Code, Sedona Land Development Code (LDC), and Arizona Revised Statutes except as exempted pursuant to SCC 5.05.025. Said compliance shall include but not be limited to compliance with any and all zoning ordinances and specified building uses. A business license is in addition to the privilege tax license required by Section 8-300 of the Sedona City Tax Code.
9. INDEMNIFICATION. To the fullest extent permitted by law, CONSULTANT shall indemnify and hold harmless CITY, and each council member, officer, employee or agent thereof (CITY and any such person being herein called an "Indemnified Party"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which any such Indemnified Party may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) are caused by the negligent acts, recklessness or intentional misconduct of CONSULTANT, its officers, employees, agents or any tier of subcontractor in connection with CONSULTANT'S work or services in the performance of this contract. The amount and type of insurance coverage requirements set forth below will in no way be construed as limiting the scope of the indemnity in this paragraph.
10. INSURANCE.
  - A. The CONSULTANT agrees to procure and maintain in force during the term of this contract, at its own cost, the following coverages as may be requested by CITY, either in the initial bid, or prior to commencement of particular tasks.
    1. Worker's Compensation Insurance as required by the Labor Code of the State of Arizona and Employers' Liability Insurance.
    2. Commercial General or Business Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.

3. Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000.00) for any one occurrence, with respect to each of the CONSULTANT'S owned, hired or non-owned automobiles assigned to or used in performance of the services. In the event that the CONSULTANT'S insurance does not cover non-owned automobiles, the requirements of this paragraph shall be met by each employee of CONSULTANT who uses an automobile in providing services to CITY under this contract.
  4. Professional Liability coverage with minimum limits of FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) each claim and ONE MILLION DOLLARS (\$1,000,000.00) general aggregate. If approved by CITY, evidence of qualified self-insured status may be substituted for one or more of the foregoing insurance coverages.
- B. CONSULTANT shall procure and maintain the minimum insurance coverages listed herein. Such coverages shall be procured and maintained with forms and insurers acceptable to CITY, acceptance of which shall not be unreasonably withheld. All coverages shall be continuously maintained to cover all liability, claims, demands and other obligations assumed by the CONSULTANT pursuant this contract. In the case of any claims made to the policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
- C. A Certificate of Insurance shall be completed by the CONSULTANT'S insurance agent(s) as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect, and shall be subject to review and approval by CITY. The Certificate shall identify this contract and shall provide that the coverages afforded under the policies shall not be canceled, terminated or limits reduced until at least 30 days prior written notice has been given to CITY. The City shall be named as an additional insured. The completed Certificate of Insurance shall be sent to:
- City of Sedona  
102 Roadrunner Drive  
Sedona, AZ 86336  
ATTN: City Clerk
- D. Failure on the part of CONSULTANT to procure or maintain policies providing the required coverages, conditions and minimum limits shall constitute a Material Breach of Contract upon which CITY may immediately terminate this contract or, at its discretion, CITY may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by CITY shall be repaid by the CONSULTANT to CITY upon demand, or CITY may offset the cost of the premiums against any monies due to CONSULTANT from CITY.
- E. CITY reserves the right to request and receive a certified copy of any policy and any pertinent endorsement thereto. CONSULTANT agrees to execute any and all documents necessary to allow CITY access to any and all insurance policies and endorsements pertaining to this particular job.
11. NON-ASSIGNABILITY. Neither this contract, nor any of the rights or obligations of the parties hereto, shall be assigned by either party without the written consent of the other.

12. **TERMINATION.** This contract shall terminate at such time as the work in the scope of work is completed or upon CITY providing CONSULTANT with seven (7) days advance written notice, whichever occurs first. In the event the contract is terminated by CITY'S issuance of said written Notice of Intent to Terminate, CITY shall pay CONSULTANT for all work previously authorized and performed prior to the date of termination. If, however, CONSULTANT has substantially or materially breached the standards and terms of this contract, CITY shall have any remedy or right of set-off available at law and equity. No other payments, including any payment for lost profit or business opportunity, and no penalty shall be owed by CITY to CONSULTANT in the event of termination upon notice.
13. **VENUE.** This contract shall be governed by the laws of the State of Arizona, and any legal action concerning the provisions hereof shall be brought in the County of Yavapai, State of Arizona.
14. **INDEPENDENT CONTRACTOR.** CONSULTANT is an independent contractor. Notwithstanding any provision appearing in this contract, and any exhibits and/or addenda, all personnel assigned by CONSULTANT to perform work under the terms of this contract shall be, and remain at all times, employees or agents of CONSULTANT for all purposes. CONSULTANT shall make no representation that it is the employee of CITY for any purpose.
15. **NO WAIVER.** Delays in enforcement or the waiver of any one (1) or more defaults or breaches of this contract by CITY shall not constitute a waiver of any of the other terms or obligations of this contract.
16. **ENTIRE AGREEMENT.** This contract, together with the attached exhibits, is the entire agreement between CONSULTANT and CITY, superseding all prior oral or written communications. None of the provisions of this contract may be amended, modified or changed except by written amendment executed by both parties.
17. **NON-DISCRIMINATION.** CONSULTANT, its agents, employees, contractors and subcontractors shall not discriminate in any employment policy or practice. "Discrimination" means to exclude individuals from an opportunity or participation in any activity or to accord different or unequal treatment in the context of a similar situation to similarly situated individuals because of race, color, gender, gender identity, sexual orientation, religion, national origin or ancestry, marital status, familial status, age, disability, or Veteran status. (Ordinance 2015-10) (2015).
18. **COMPLIANCE WITH FEDERAL AND STATE LAWS:**
  - A. Under the provisions of A.R.S. § 41-4401, CONSULTANT hereby warrants to CITY that CONSULTANT and each of its subcontractors will comply with, and are contractually obligated to comply with, all Federal Immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter "Contractor Immigration Warranty").
  - B. A breach of the Contractor Immigration Warranty shall constitute a material breach of this contract and shall subject CONSULTANT to penalties up to and including termination of this contract at the sole discretion of CITY.
  - C. CITY retains the legal right to inspect the papers of any contractor or subcontractor

employee who works on this contract to ensure that the contractor or subcontractor is complying with the Contractor Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any such inspections.

- D. CITY may, at its sole discretion, conduct random verification of the employment records of CONSULTANT and any subcontractors to ensure compliance with the Contractor Immigration Warranty. CONSULTANT agrees to assist CITY in regard to any random verification performed.
  - E. Neither CONSULTANT nor any subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if CONSULTANT or any subcontractor establishes that it has complied with the employment verification provisions prescribed by Sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214, Subsection A.
  - F. The provisions of this article must be included in any contract that CONSULTANT enters into with any and all of its subcontractors who provide services under this contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
  - G. CONSULTANT shall execute the required documentation and affidavit of lawful presence as set forth in ARS 1-502/8 USC § 1621 (**Exhibit B**).
  - H. CONSULTANT understands and acknowledges the applicability to it of the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The following is only applicable to construction contracts: CONSULTANT must also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited," and A.R.S. § 34-302, as amended, "Residence Requirements for Employees."
19. DISPUTE RESOLUTION. The parties agree in good faith to attempt to resolve amicably, without litigation, any dispute arising out of or relating to this contract. In the event that any dispute cannot be resolved through direct discussions, the parties agree to endeavor to settle the dispute by mediation. Either party may make a written demand for mediation, upon which demand the matter shall be submitted to a mediation firm mutually selected by the parties. The mediator shall hear the matter and provide an informal opinion and advise within twenty (20) days following written demand for mediation. Said informal opinion and advice shall not be binding on the parties, but shall be intended to help resolve the dispute. The mediator's fee shall be shared equally by the parties. If the dispute has not been resolved, the matter may then be submitted to the judicial system.
20. DELAYS. CONSULTANT shall not be responsible for delays which are due to causes beyond CONSULTANT'S reasonable control. In case of any such delay, any deadline established as part of the scope of work shall be extended accordingly.
21. ATTORNEYS' FEES AND COSTS. Should any legal action, including arbitration, be necessary to enforce any term of provision of this contract or to collect any portion of the amount payable hereunder, all expenses of such legal action or collection, including witness fees, costs of the proceedings and attorneys' fees, shall be awarded to the substantially

prevailing party.

22. CONFLICT OF INTEREST. From the date of this contract through the termination of its service to CITY, CONSULTANT shall not accept, negotiate or enter into any contract or agreements for services with any other party that may create a substantial interest, or the appearance of a substantial interest in conflict with the timely performance of the work or ultimate outcome of this contract and/or adversely impact the quality of the work under this contract without the express approval of the City Manager and the City Attorney. Whether such approval is granted shall be in the sole discretion of the City Manager and the City Attorney. The parties hereto acknowledge that this Contract is subject to cancellation pursuant to the provisions of ARS § 38-511.

23. NOTICE. Any notice or communication between CONSULTANT and CITY that may be required, or that may be given, under the terms of this contract shall be in writing, and shall be deemed to have been sufficiently given when directly presented or sent pre-paid, first class United States Mail, addressed as follows:

CITY: City of Sedona  
Attn: Karen Osburn, City Manager  
102 Roadrunner Drive  
Sedona, AZ 86336

CONSULTANT: Kimley-Horn and Associates, Inc.  
Attn: Andrew Baird, Project Manager  
201 N Montezuma, Suite 206  
Prescott, AZ 86301

24. NOTICE TO PROCEED. Unless otherwise noted by CITY, acceptance of this contract is official notice to proceed with the work.

CITY OF SEDONA, ARIZONA

\_\_\_\_\_  
Karen Osburn, City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Kimley-Horn and Associates, Inc.

By: \_\_\_\_\_

Title: \_\_\_\_\_

I hereby affirm that I am authorized to enter into and sign this contract on behalf of  
CONSULTANT

## **EXHIBITS**

### **Exhibit A**

- Scope of Work and Associated Costs

### **Exhibit B**

- Affidavit of Lawful Presence as set forth in ARS 1-502/8 USC §1621
- Affidavit of Lawful Presence not required as this consultant is a corporation (Inc., LLC, LLP)

### **Exhibit C**

- No Participation in Boycott of Israel





December 1, 2021

Mr. Stephen Craver, P.E.  
Associate Engineer  
City of Sedona – Public Works Department  
102 Roadrunner Drive  
Sedona, AZ 86336

Re: **Scope and Fee for Professional Services  
Ranger Road / Brewer Road Intersection & Ranger Extension Improvements**

Dear Mr. Craver:

Kimley-Horn and Associates, Inc. (Kimley-Horn) is pleased to submit this proposal to the City of Sedona (City) to provide Professional Design Services for the Ranger Road / Brewer Road Intersection & Ranger Extension Improvements.

Our proposal is divided into the following sections:

Exhibit A – Scope of Work

Exhibit B – Fee and Expenses

Exhibit C – Subconsultant Backup Information.

We appreciate the opportunity to provide these services to you for this very important project for the City. Please contact me if you have any questions.

Very truly yours,

KIMLEY-HORN AND ASSOCIATES, INC.

Andrew Baird, P.E.  
Project Manager

**EXHIBIT A  
CITY OF SEDONA  
RANGER ROAD / BREWER ROAD INTERSECTION  
& RANGER EXTENSION IMPROVEMENTS  
SIM – 05D**

**SCOPE OF SERVICES  
December 1, 2021**

This project consists of intersection improvements and a new roadway extension in Sedona.

The design will be provided in two phases: **Scoping Phase and Design Phase**

- **Scoping Phase** will consist of data collection, control/topographic survey, determination of existing right-of-way, utility impacts, geotechnical evaluation, environmental impacts, traffic modeling, alternative development and 30% preliminary plans including but not limited to:
  1. Brewer / Ranger Intersection Alternatives
    - Five-Legged Roundabout
    - Four-Legged Roundabout
    - Four-Way with Signal
  2. Portal Connection and Soldier Wash Crossing
  3. Ranger Road Extension
    - Termination at Future Forest Road Roundabout
    - Tie-in with Transit Hub
  4. Brewer Roundabout Modifications
  5. Miscellaneous Improvements – Pavement, Cross Streets, Sidewalk, Ramps, Curb, etc.

Completion of this phase will consist of recommended alternatives for each improvement with associated costs and benefits. The Report will be reviewed by City Staff prior to a Public Meeting and presentation to City Council.

- **Final Design Phase** will be project development based on the recommended alternatives. Design submittals for final construction documents will consist), 60% (Preliminary), 90% (Semi-Final), and 100% (Final/Sealed). Each submittal will consist of electronic PDFs of the submittal documents, including half-size (11x17) and full-size (22x34) PDFs of the plan set.
  1. The 60% (Preliminary) Submittal will consists of the following deliverables:
    - Draft Drainage Design Memorandum
    - Preliminary Plan Set
    - Preliminary Quantities & Opinion of Probable Costs
  2. The 90% (Semi-Final) Submittal will consist of the following deliverables:
    - Semi-Final Drainage Design Memorandum
    - Semi-Final Plan Set
    - Semi-Final Quantities & Opinion of Probable Costs
    - Semi-Final Technical Specifications
  3. The 100% (Final) Submittal will consist of final versions of the documents listed for the Semi-Final Submittal.

**PHASE 1 - SCOPING PHASE**

**1.1 - Data Collection and Analysis**

- a. Kimley-Horn will conduct a project site walk with City Staff. As part of the site walk potential construction material and equipment staging locations shall be reviewed.
- b. Kimley-Horn will research and evaluate existing City and private utility information (e.g. as-builts, quarter section maps, GIS) regarding existing facilities such as roadway, drainage, traffic, and utilities. The City will provide available as-builts and other related existing data including right-of-way tract maps.
- c. Kimley-Horn will request an Arizona Blue Stake ticket to identify existing utilities within the project limits and request existing utility information.
- d. Kimley-Horn will conduct a traffic evaluation of the Brewer/Ranger intersection along with the Ranger Extension and existing Brewer Road.
  - Kimley-Horn will collect traffic volume data at the intersection to supplement existing traffic data collected over the last 2 years.
  - Kimley-Horn will run up to five (5) model scenarios for the following:
    1. Three intersection Alternatives
    2. One Brewer Road Alternative
    3. One Forest Extension Alternative
  - Kimley-Horn will include the analysis in a section of the Design Concept Report.

**1.2 - Coordinate Control, Topo Survey & Right-of-Way**

- a. Kimley-Horn will prepare a survey request and coordinate with Shephard-Wesnitzer for control and topographic survey services.
- b. Kimley-Horn will review for control and topographic survey data as well as right-of-way information provided by Shephard-Wesnitzer.

**1.3 - Concept Design/Alternative Evaluation**

- a. Kimley-Horn will conduct a review of business and residential access. This information will be used to facilitate discussions with adjacent property/business owners.
- b. Kimley-Horn will develop alternatives for the recommended roadway improvements. A matrix will be utilized to present the different features of each alternatives with weighted scoring to assist the City in decision making. The alternatives will be evaluated against right of way impacts, construction sequencing, travel time improvements, utilities, storm water management, aesthetics, adjacent properties, maintenance, etc.

- c. Kimley-Horn will prepare concept design drawings of project improvements and alternatives. The conceptual design drawings will show offsite improvements to mitigate offsite infrastructure impacts.
- d. Kimley-Horn develop preliminary costs associated with each alternative, which will be used to prepare the Design Alternatives Matrix.
- e. Kimley-Horn will summarize the design alternatives in a Design Concept Report and Plans. This includes both a DRAFT Concept Report and FINAL Concept Report after City/Stakeholder Review.
- f. Kimley-Horn will prepare 30% Plans for the Ranger Extension. This will include tie-ins to the future Transit Hub and Forest Road Roundabout.

**1.4 - Project Management/Meetings**

- a. Kimley-Horn will attend the following meetings as a part of this phase of the project:
  - Design Concept Review Meeting
  - Technical Advisory Committee Meeting
  - Public Information Meeting
  - City Council Meeting
- b. Kimley-Horn will prepare a summary of comments after each meeting.

**PHASE 2 – FINAL DESIGN PHASE**

**2.1 – Roadway Design**

- a. Kimley-Horn will design the Ranger/Brewer Intersection and the Portal Lane connection across Soldier Wash. Roadway improvements include adding a new associated sidewalk and driveway improvements, constructing ADA improvements and demolition/removal throughout the project limits.
- b. Kimley-Horn will establish a roadway construction centerline based on existing survey monuments.
- c. Kimley-Horn will prepare roadway plans at a 20-scale. The following sheet list is anticipated for the final construction documents:
  - Cover Sheet (1 Sheet)
  - Legend & Notes (1 Sheet)
  - Typical Sections (2 Sheets)
  - Miscellaneous Details (2 Sheets)
  - Geometric Control (1 Sheet)
  - Removal/Demolition (2 Sheets)
  - Roadway Plan & Profile (20 Scale) (3 Sheets)
  - Sidewalk Plans/Details (1 Sheet)
  - Roundabout Details (2 Sheets)

- d. Kimley-Horn will prepare a 3D proposed roadway surface in AutoCAD Civil 3D and develop cut and fill lines as well as earthwork quantities.
- e. Roadway plans will be submitted with each of the milestone submittals (60%, 90%, and 100%)

**2.2 – Drainage Design**

- a. Kimley-Horn will prepare a Drainage Design Report to document the roadway impacts on drainage conveyance. A Draft Drainage Design Memorandum will be submitted with each of the milestone submittals (60%, 90% and 100%)
- b. Drainage System modifications/reconstruction will be shown on the Roadway Plan/Profile Sheets.

**2.3 – Signing/Pavement Marking Design, Lighting and Construction Sequencing Plans**

- a. Kimley-Horn will prepare signing and pavement marking plans for Uptown Sedona. It is assumed the signing and pavement marking design will be in accordance with MUTCD and MAG standards.
- b. Kimley-Horn will prepare signing and marking plans at a 40-scale. The following sheet list is anticipated for the final construction documents:
  - Signing and Marking General Notes (2 Sheets)
  - Signing and Marking Plan (2 Sheets)
- c. Kimley-Horn will prepare construction sequencing plans for the project.
- d. Kimley-Horn will provide Lighting and Photometrics for the intersection.
  - Lighting General Notes and Details (1 Sheets)
  - Lighting Plans (2 Sheets)
- e. It is anticipated that this project would be constructed in several different phases.
- f. Kimley-Horn will coordinate with City staff prior to preparing the construction sequencing plans.
- g. Signage/Pavement Marking Design and Construction Sequencing plans will be submitted with each of the milestone submittals (60%, 90%, and 100%)

**2.4 – Structural Design**

- a. Kimley-Horn will provide Structural Design for the Soldier Wash Crossing
- b. Culvert Extension (2 Sheets)
- c. Wall Plans (2 Sheets)

**2.5 – Landscape and Landscape Irrigation Restoration**

- a. Kimley-Horn will visit the site to inventory and locate existing conditions including:
  - Site furnishings
  - Irrigation equipment

- b. Kimley-Horn will gather information at all tie in points where this project meets existing conditions. We will meet with City staff including maintenance department to understand current standards, goals, and desired equipment.
- c. Kimley-Horn will prepare landscape and irrigation plans at a 20-scale. The following sheet list is anticipated for the final construction documents:
  - Planting Plans (2 Sheets) (1" = 20' scale)
  - Irrigation notes, schedules, and details sheets (2 Sheets)
  - Irrigation Plans (2 Sheets) (1" = 20' scale)
  - Planting and site furnishings notes and details sheets (2 Sheets)
- d. Landscape and Landscape Irrigation Restoration plans will be submitted with each of the milestone submittals (60%, 90%, and 100%)

## 2.6 – Erosion Control

- a. Kimley-Horn will provide Erosion Control Plans and Details for the Contractors use in the Notice of Intent.
  - 2 – SWPPP Sheets (1" = 20')
  - 2 – Detail Sheets
- b. Erosion Control plans will be submitted with each of the milestone submittals (60%, 90%, and 100%)

## 2.7 – Utility Coordination

- a. Kimley-Horn will be responsible for contacting and coordinating with utility companies in the area and informing them of the design plans for the project.
- b. Kimley-Horn will prepare utility clearance letters to send to the utility companies in the area. Signed clearance letters will be obtained and provided to the City if requested.
- c. Kimley-Horn will work with the utility companies to identify any potential utility conflicts and will communicate these conflicts with the City.
- d. Provide 60%, 90% and 100% plans to all local utility companies for review and concurrence.
- e. Kimley-Horn will attend and lead one Utility Coordination Meeting (included in Task 2.9).

## 2.8 – Project Estimate, Specifications and Bid Schedule

- a. A list of anticipated quantities will be prepared and submitted at each design stage (60%, 90% and 100%).
  - Quantities will be presented on the plan sheets and also in a separate spreadsheet using custom bid items based on City item descriptions.
  - An opinion of probable cost will be provided for these quantities.
  - A bid schedule will be provided with the 90%, 100% submittal.

- b. Technical Specifications will be prepared for the 60%, 90%, and 100% submittals. The specifications will be prepared utilizing City format and serve as a supplement to the MAG Specifications.

**2.9 – Design Phase Project Management/Meetings**

- a. Project management includes contract management, invoicing, project schedule development, internal meetings with staff, Quality Control/Quality Assurance, permitting application and administration and CADD maintenance.
- b. Kimley-Horn will attend the following meetings as a part of this project:
  - Progress Meetings (4 meetings via conference call)
  - Plan Review Meetings (2 meetings)
  - Stakeholder Meetings (8 total)
  - Public Meeting (1 total)
  - City Council Meeting (1 total)
- c. Design progress meetings (excludes stakeholder and public meeting) are assumed to be attended by the Project and any technical support via teleconference.
- d. Kimley-Horn will be responsible for preparing meeting agendas, exhibits, and notes.
- e. Field reviews are assumed to be conducted on the same days as meetings described above.
- f. Any meetings beyond those listed above will be considered additional services.
- g. Kimley-Horn will prepare a summary of comments received following each submittal. These comments will be addressed, and responses will be provided.

**PHASE 3 – BID PHASE**

**3.1 – Bid Phase**

Kimley-Horn will assist the City during the bid phase of the project. This includes attending the pre-bid conference, responding to contractor requests and review of the bid tabulations.

**PHASE 4 – POST DESIGN PHASE**

**4.1 – Post Design / Construction Services**

Kimley-Horn will provide Post Design and Construction Administration Services throughout the duration of Construction. This consists of the following:

- a. Response to RFIs (assume 20 at 2 hours each)
- b. Review Construction Shop Drawings (assume 4 at 4 hours each)
- c. Weekly Construction Meetings (assume 20 meetings)
- d. Record Drawings

**EXHIBIT B** includes the detailed fee breakdown for all tasks.

## **SUBCONSULTANT TASKS**

### **5.1 – Topo Survey & Right-of-Way (SWI)**

Shephard-Wesnitzer, Inc. will be utilized for control, topographic survey and right-of-way services. See **EXHIBIT C** for proposal.

### **5.2 - Traffic Counts (All Traffic Data Services)**

All Traffic Data Services will provide the traffic data counts. See **EXHIBIT C** for proposal.

### **5.3 Geotechnical Services (Speedie)**

Speedie and Associates will provide geotechnical investigations services. See **EXHIBIT C** for proposal.

### **5.4 Public Outreach (Beta Pr)**

Beta Pr will provide Public Outreach services. See **EXHIBIT C** for proposal.

## **ALLOWANCES**

### **6.1- Utility Designating/Potholing (Allowance)**

An allowance of is included to address potential utility potholes and designating should it be determined a Level C SUE is not sufficient.

## **EXCLUSIONS**

The following items/services are not included in this scope of work and fee proposal. If these items/services are determined to be required, a separate agreement by contract amendment or new contract shall be coordinated between the City of Sedona and Kimley-Horn.

- Wayfinding Signs
- CMAR Coordination
- Environmental Services



EXHIBIT B

**DERIVATION OF COST PROPOSAL SUMMARY**

(Figures Rounded To The Nearest \$1)

KIMLEY-HORN DESIGN BASE FEE

CLASSIFICATION	PERSON HOURS	BILLING RATE/HOUR	TOTAL
Senior Consultant	-	\$ 220.00	\$ -
Project Manager	226	\$ 200.00	\$ 45,200
Senior Engineer	274	\$ 190.00	\$ 52,060
Project Engineer/Planner	388	\$ 150.00	\$ 58,200
Analyst	694	\$ 125.00	\$ 86,750
Graphic Designer/GIS	16	\$ 120.00	\$ 1,920
Administrative	16	\$ 90.00	\$ 1,440
	1,614 Hours		

Subtotal Kimley-Horn Design Base Fee **\$ 245,570**

ESTIMATED OUTSIDE SERVICES AND CONSULTANTS

Firm	Cost	Compensation Method
Survey (SWI)	\$ 14,600	
Traffic Counts (ATD)	\$ 350	
Geotechnical (Speedie)	\$ 6,900	
Public Outreach (Beta Pr)	\$ 10,516	
	Subtotal Estimated Outside Services	<b>\$ 32,366</b>

ESTIMATED DIRECT EXPENSES

Miscellaneous Expenses	\$ 1,000
	Subtotal Estimated Expenses <b>\$ 1,000</b>

ALLOWANCES

SUE	\$ 10,000
	Subtotal Allowances <b>\$ 10,000</b>

TOTAL PROJECT COST

**\$ 288,936**

Consultant Firm Signature

**12/1/21**

Date

City of Sedona  
Ranger Road/Brewer Road Intersection Ranger Ext Improvements  
Fee Proposal

		Project	Senior	PE/	Analyst	Graphic Des/	Admin	Totals
		Manager	Engineer	Planner		GIS		
TASK DESCRIPTION	SUBTOTAL	\$ 200.00	\$ 190.00	\$ 150.00	\$ 125.00	\$ 120.00	\$ 90.00	
<b>1. SCOPING PHASE</b>								
<b>1.1 Data Collection and Analysis</b>	<b>20,970.00</b>	<b>8</b>	<b>24</b>	<b>48</b>	<b>58</b>	<b>-</b>	<b>4</b>	<b>142</b>
As-Built Research	930.00				6		2	8
Right of Way Mapping Research	680.00				4		2	6
Traffic Analysis	19,360.00	8	24	48	48			128
<b>1.2 Coordinate Control, Survey &amp; R/W</b>	<b>2,750.00</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>20</b>
Coordinate with Survey	600.00			4				4
Review Topo/Control Base File	1,350.00			4	6			10
Review Right-of-Way Base File	800.00			2	4			6
<b>1.3 Concept Design/Alternatives Evaluation</b>	<b>32,840.00</b>	<b>44</b>	<b>28</b>	<b>60</b>	<b>72</b>	<b>-</b>	<b>8</b>	<b>212</b>
Business and Residential Access Review	1,400.00	4		4				8
Concept Report (DRAFT and FINAL)	9,840.00	16	8	16	16		8	64
Concept Plans (DRAFT and FINAL)	10,520.00	12	8	24	24			68
30% Ranger Road Extension Plans	9,280.00	8	12	16	24			60
Cost Estimates	1,800.00	4			8			12
<b>1.4 Scoping Phase Project Management/Meetings</b>	<b>8,920.00</b>	<b>16</b>	<b>-</b>	<b>12</b>	<b>16</b>	<b>16</b>	<b>-</b>	<b>60</b>
Design Concept Review Meeting	1,300.00	4			4			8
TAC Meeting	1,300.00	4			4			8
Public Meeting	4,320.00	4		4	8	16		32
City Council Meeting	2,000.00	4		8				12
<b>TOTAL SCOPING PHASE</b>	<b>65,480.00</b>	<b>68</b>	<b>52</b>	<b>130</b>	<b>156</b>	<b>16</b>	<b>12</b>	<b>434</b>
<b>2. DESIGN PHASE</b>								
<b>2.1 Roadway Design</b>	<b>42,830.00</b>	<b>18</b>	<b>42</b>	<b>100</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>290</b>
Cover Sheet	1,050.00			2	6			8
Legend & Notes Sheet	1,050.00			2	6			8
Typical Sections Sheets	3,360.00	2	4	8	8			22
Miscellaneous Details Sheets	3,860.00	2	4	8	12			26
Geometric Control Sheet	1,230.00		2	4	2			8
Removal/Demolition Sheets	5,120.00	2	8	8	16			34
Roadway Plan & Profile Sheets	10,480.00	8	12	24	24			68
Shared Use Path/Sidewalk Plans/Details	3,360.00	2	4	8	8			22
Roundabout Details	10,760.00	2	4	24	48			78
3D Model & Earthwork	2,560.00		4	12				16
<b>2.2 Drainage Design</b>	<b>12,240.00</b>	<b>-</b>	<b>16</b>	<b>8</b>	<b>64</b>	<b>-</b>	<b>-</b>	<b>88</b>
Evaluation (Hydrology & Hydraulics)	2,200.00			8	8			16
Draft Drainage Design Memorandum	5,520.00		8		32			40
Final Drainage Design Memorandum	4,520.00		8		24			32
<b>2.3 Signing/Pavement Marking &amp; Construction Sequencing</b>	<b>23,470.00</b>	<b>20</b>	<b>28</b>	<b>46</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>152</b>
Legend & Notes Sheet	1,050.00			2	6			8
Signing and Marking Sheets	10,480.00	8	12	24	24			68
Lighting Sheets	6,880.00	4	12	12	16			44
Construction Sequencing Sheets	5,060.00	8	4	8	12			32

City of Sedona  
Ranger Road/Brewer Road Intersection Ranger Ext Improvements  
Fee Proposal

TASK DESCRIPTION	SUBTOTAL	Project	Senior	PE/	Analyst	Graphic Des/	Admin	Totals
		Manager	Engineer	Planner		GIS		
		\$ 200.00	\$ 190.00	\$ 150.00	\$ 125.00	\$ 120.00	\$ 90.00	
<b>2.4 Structural Design</b>	<b>10,520.00</b>	<b>8</b>	<b>8</b>	<b>16</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>72</b>
Soldier Wash	2,360.00		4	4	8			16
Wall Plans	5,800.00	8		8	24			40
Structural Calculations	2,360.00		4	4	8			16
<b>2.5 Landscape and Landscape Irrigation</b>	<b>16,340.00</b>	<b>-</b>	<b>26</b>	<b>36</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>110</b>
Planting & Site Furnishing Plans	4,820.00		8	12	12			32
Landscape Irrigation Plans	4,220.00		8	8	12			28
Planting & Site Furnishing Notes & Details	3,460.00		4	8	12			24
Landscape Irrigation Notes & Details	3,840.00		6	8	12			26
<b>2.6 Erosion Control</b>	<b>8,480.00</b>	<b>6</b>	<b>12</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>58</b>
Erosion Control Sheets	5,320.00	4	8		24			36
Erosion Control Details	3,160.00	2	4		16			22
<b>2.7 Utility Coordination</b>	<b>4,360.00</b>	<b>4</b>	<b>-</b>	<b>8</b>	<b>16</b>	<b>-</b>	<b>4</b>	<b>32</b>
Utility Conflict Review, Coordination & Clearance Letters	4,360.00	4		8	16		4	32
<b>2.8 Project Estimate, Specifications and Bid Schedule</b>	<b>10,840.00</b>	<b>8</b>	<b>16</b>	<b>28</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>68</b>
Quantities/Estimate/Bid Schedule	5,160.00		4	16	16			36
Specifications	5,680.00	8	12	12				32
<b>2.9 Design Phase Project Management/Meetings</b>	<b>20,630.00</b>	<b>40</b>	<b>32</b>	<b>12</b>	<b>38</b>	<b>-</b>	<b>-</b>	<b>122</b>
Internal Coordination	2,800.00	8		8				16
QA/QC	6,160.00	8	24					32
CADD Maintenance	2,000.00				16			16
Progress Meetings (Assume 4)	1,300.00	4			4			8
Plan Review/Comment Resolution Meetings (Assume 2)	1,500.00	2		4	4			10
Stakeholders Meetings (Assume 2)	1,560.00	4	4					8
Utility Coordination Meeting (Assume 1)	650.00	2			2			4
Public Meeting (Assume 1)	1,560.00	4	4					8
Council Meeting (Assume 1)	3,100.00	8			12			20
<b>TOTAL FINAL DESIGN PHASE</b>	<b>149,710.00</b>	<b>104</b>	<b>180</b>	<b>254</b>	<b>450</b>	<b>-</b>	<b>4</b>	<b>992</b>
<b>3. BID PHASE</b>								
<b>3.1 Bid Phase</b>	<b>5,320.00</b>	<b>16</b>	<b>8</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>
Respond to Questions	3,120.00	8	8					16
Attend the Pre-Bid Meeting	800.00	4						4
Review Bid Tabulations	1,400.00	4		4				8
<b>TOTAL BID PHASE</b>	<b>5,320.00</b>	<b>16</b>	<b>8</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28</b>
<b>4. POST DESIGN PHASE</b>								
<b>4.1 Post Design Construction Services</b>	<b>25,060.00</b>	<b>38</b>	<b>34</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>160</b>
Response to Request for Information (assume 20 at 2 hours each)	6,400.00	10	10		20			40
Review Construction Shop Drawing Submittals (assume 4 at 4 hours each)	2,560.00	4	4		8			16
Weekly Construction Meetings	6,500.00	20			20			40
Record Drawings	9,600.00	4	20		40			64
<b>TOTAL POST DESIGN PHASE</b>	<b>25,060.00</b>	<b>38</b>	<b>34</b>	<b>-</b>	<b>88</b>	<b>-</b>	<b>-</b>	<b>160</b>
<b>SUBTOTAL DIRECT LABOR</b>	<b>245,570.00</b>	<b>226</b>	<b>274</b>	<b>388</b>	<b>694</b>	<b>16</b>	<b>16</b>	<b>1,614</b>

City of Sedona  
Ranger Road/Brewer Road Intersection Ranger Ext Improvements  
Fee Proposal

TASK DESCRIPTION	SUBTOTAL	Project	Senior	PE/	Analyst	Graphic Des/	Admin	Totals
		Manager	Engineer	Planner		GIS		
		\$ 200.00	\$ 190.00	\$ 150.00	\$ 125.00	\$ 120.00	\$ 90.00	
<b>5. SUBCONSULTANTS TASKS</b>								
<b>5.1 Topo Survey and Right-of-Way (SWI)</b>	<b>14,600.00</b>							
Control, Topo Survey Existing Right-of-Way, Utilities	9,600.00	<b>See Proposal in Appendix</b>						
Legal Descriptions & Exhibits (5 total)	5,000.00							
<b>5.2 Traffic Counts</b>	<b>350.00</b>							
Traffic Counts	350.00	<b>See Proposal in Appendix</b>						
<b>5.3 Geotechnical Services (Speedie)</b>	<b>6,900.00</b>							
Geotechnical Services	6,900.00	<b>See Proposal in Appendix</b>						
<b>5.4 Public Outreach (Beta PR)</b>	<b>10,515.81</b>							
Outreach	10,515.81	<b>See Proposal in Appendix</b>						
<b>SUBTOTAL SUBCONSULTANT TASKS</b>	<b>32,365.81</b>							
<b>6. ALLOWANCES</b>								
<b>6.1 Utility Potholing</b>	<b>10,000.00</b>							
Utility Potholes	2,600.00							
Utility Designating	5,400.00							
Expenses	2,000.00							
<b>SUBTOTAL ALLOWANCES</b>	<b>10,000.00</b>							
<b>CONTRACT TOTAL</b>	<b>287,935.81</b>							

**EXHIBIT C**  
**Subconsultant Proposals**

Baird, Andrew

---

From: Mark Polydoros <MPolydoros@swiaz.com>  
Sent: Wednesday, December 1, 2021 9:30 AM  
To: Aaron Borling; Baird, Andrew  
Cc: Warne, James  
Subject: RE: Brewer/Ranger and Ranger Extension Project

Categories: External

Hi Andrew

I couldn't locate any existing survey data for this one. Using the exhibits attached to your 11/16 email I believe a detailed topo of the subject area will be necessary along with sufficient research and fieldwork to define the right of way. As far as a fee:

\$6,300 for the field topo and base map.  
\$3,300 for the right of way research and field work. Right of way lines will be added to the base map.  
\$9,600 total.

Please let me know if you would like to include anything else.

Thanks,

Mark Polydoros RLS



Shephard & Wesnitzer, Inc.

*Engineering an environment of excellence*

221 N. Marina Street, Suite 102  
Prescott, Arizona 86301  
p: 928.541.0443  
www.swiaz.com

---

From: Aaron Borling  
Sent: Wednesday, December 1, 2021 8:30 AM  
To: Baird, Andrew; Mark Polydoros  
Cc: Warne, James  
Subject: RE: Brewer/Ranger and Ranger Extension Project

Andrew,



**All Traffic Data Services, LLC**  
**9660 West 44th Avenue**  
**Wheat Ridge, CO 80033**

**303-216-2439 (tel)**  
**303-278-2681 (fax)**

# Proposal

**ALL TRAFFIC DATA SERVICES**

**Submitted To:** KIMLEY- HORN

**Date:** 11/24/2021

**Job Location:** SEDONA CA - Brewer / Ranger Intersection

**Job Description:** DATA COLLECTION

We hereby propose to furnish all materials and perform all the labor necessary for the completion of the following:

Item#	Description	Quantity	Unit Price Units	Total
100	TMC(AM-PM 2 HRS EACH)	1.00	350.00 LS	\$350.00

All material is guaranteed to be as specified, and the above work to be performed in accordance with the drawings and specifications submitted for above work and completed in a substantial workmanlike manner for the sum of:

**\$350.00**

Any alteration or deviation from above specifications involving extra costs, will be executed only upon written orders, and will become an extra charge over and above the estimate. Prices are good for 60 days.

Respectfully submitted: **ATD SERVICES**

### Acceptance of Proposal

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

November 24, 2021

Andrew Baird  
Kimley-Horn and Associates, Inc.  
7740 North 16th Street, Suite 300  
Phoenix, AZ 85020

**RE: Proposal for Geotechnical Investigation  
Brewer/Ranger Road extension project  
Ranger & Brewer Road  
Sedona, AZ  
Proposal No. 79072SF**

Dear Mr. Baird:

We are pleased to provide our cost estimate to conduct a soil investigation at the above referenced site that will satisfy site development and pavement design requirements. All work on this project will be carried out under the overall supervision of a registered Professional Engineer in the state of Arizona.

We understand that construction will consist of extension and/or redirection of approximately 2100 feet of asphalt roadway, with potential emplacement of storm drains, retaining walls, and a new roundabout. Traffic loads are expected to consist of moderate to heavy passenger traffic and light truck traffic. No special considerations regarding settlement tolerances are known at this time. Adjacent areas will be engineered to accommodate stormwater runoff, with some landscaped areas will be utilized for storm water retention and disposal.

We will drill and sample sufficient test borings to adequately determine subsoil conditions and provide samples for laboratory testing. Sufficient laboratory tests will be conducted to properly classify the soils encountered and provide data for engineering design. We presently anticipate drilling 7 structural borings to depths of 10 to 15 feet below existing ground surface, or refusal, whichever comes first. Access to the site by conventional truck-mounted drilling equipment is assumed to be free and unencumbered. This proposal does not include costs associated with traffic control, and it is assumed that all work can be completed off of main roadways.

We will analyze the data obtained from field and laboratory testing and prepare a report presenting all data obtained, together with our conclusions and recommendations regarding:

1. Design data, allowable bearing pressure and depth, for shallow spread footings, if applicable.
2. Settlement estimate for each foundation system considered, if applicable.
3. Lateral pressures on temporary and permanent retaining and foundation walls.

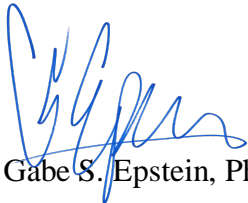


4. Groundwater conditions, if any, to the depths which will influence design and/or construction of the proposed development.
5. Pavement design to provide economy and adequate service.
6. Suitability of site soils for use as compacted fill and preferred earthwork methods, including clearing, stripping, excavation and construction of engineered fill.
7. Local excavation and trenching conditions and stability considerations.
8. Slope requirements for cut and fill stability, both temporary and permanent.

Charges for our services have been determined on the basis of our standard Fee and Rate Schedule, a copy of which is attached and made a part hereof. We propose to provide the services set forth herein for a lump sum amount of **\$6,900.00**, which includes all testing, engineering and reimbursable expenses and an electronic copy of the report (pdf format; paper copies available upon request). Should we be informed that additional copies of the report are needed after it has been finalized, there will be an additional charge of \$15.00 per report. Time from authorization to proceed to final report submittal at this time is tentatively on the order of 10 to 12 weeks following our receipt of this signed proposal (authorization to proceed). This time frame does not include delays due to inclement weather or delays in the field not caused by Speedie & Associates and subcontractors. Currently, there is a large delay in initiating fieldwork due to subcontractor availability, upon receipt of the signed proposal we can solidify a date for field work and give a firmer timeline.

We appreciate the opportunity to submit this proposal for your consideration. If the terms set forth are satisfactory, please sign the attached copy, and return it for our records.

Respectfully submitted,  
SPEEDIE & ASSOCIATES



Gabe S. Epstein, PhD

APPROVED AND ACCEPTED  
For: Kimley-Horn and Associates, Inc.

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**ENGINEERING SERVICES**  
**Northern Arizona 2021 Fee and Rate Schedule**

*Fees for services will be based upon the time worked on the project at the following rates:*

Title	Rate Per Hour
Principal	\$ 150.00
Project Manager	125.00
Sr. Geologist/Engineer	125.00
Project Engineer/Geologist	110.00
Environmental Specialist	90.00
Special Inspector (Architectural)	85.00
Special Inspector (Structural/Geotechnical)	80.00
Staff Engineer/Geologist	85.00
Sr. Engineering Technician	75.00
Draftsman	75.00
Materials Testing Technician	60.00
Clerical/Administrative	55.00

**REIMBURSABLE EXPENSES**

Light Truck Mileage Rate: \$0.50 per mile

The following items are reimbursable to the extent of actual expenses plus 25%:

1. Transportation, lodging and subsistence for out of town travel
2. Special mailings and shipping charges
3. Special materials and equipment unique to the project
4. Duplication or reprinting/copying reports

**TEST BORINGS AND FIELD INVESTIGATIONS**

On projects requiring test borings, test pits, or other explorations, the services of reputable contractors to perform such work shall be obtained.

**SUBCONTRACTORS/SUBCONSULTANTS CHARGES**

Any charges for subcontractors/subconsultants are subject to a 25% handling fee if invoiced by Speedie & Associates or such charges can be directly paid by the CLIENT.

**SPECIAL RATES**

The following rates may be subject to a 35% increase:

- Overtime – time over 8 hours per weekday and on Saturday
- Sunday and Holidays
- Rush orders
- Night Shift

**EXPERT WITNESS**

Deposition and testimony; 4-hour minimum, \$250.00 per hour.

***The following Terms and Conditions are included and hereto made a part of this agreement.***

## TERMS AND CONDITIONS

### 1. STANDARD OF CARE

In performing our professional engineering services, Speedie & Associates, Inc. (S&A) will use the degree of care and skill ordinarily exercised by members of our profession currently practicing in the same locality under similar conditions. No warranty, expressed or implied, is made or intended by our proposal for consulting services, our contract, oral or written reports, or services.

### 2. SCOPE OF SERVICES

#### 2.1 "ON-CALL" SERVICES

Unless otherwise agreed by both parties in writing, all construction materials testing will be performed on an "on-call" basis. Both parties agree that test results for "on-call" testing, where the CLIENT does not request S&A's continuous construction and field observation, will be based only on the representative sample or limited location tested.

#### 2.2 CONSTRUCTION/FIELD OBSERVATION OR REMEDIATION OBSERVATION

If the CLIENT desires more extensive or full-time project observation to help reduce the risk of problems arising during construction, the CLIENT shall request such services as "Additional Services" in accordance with the terms of this agreement. Should the CLIENT for any reason choose not to have S&A provide construction or field observation during the implementation of S&A's specifications or recommendations, or should the CLIENT unduly restrict S&A's assignment of observation personnel, CLIENT shall, to the fullest extent permitted by law, waive any claim against S&A, and indemnify, defend, and hold S&A harmless from any claim or liability for injury or loss arising from field problems allegedly caused by findings, conclusions, recommendations, plans or specifications developed by S&A. CLIENT also shall compensate S&A for any time spent or expenses incurred by S&A in defense of any such claim. Such compensation shall be based upon S&A's prevailing fee and rate schedule.

### 3. OWNERSHIP OF DOCUMENTS

All reports, plans, specifications, field data, notes and other documents prepared by S&A shall remain the property of S&A. Any reuse of such documents for other purposes must be with the written consent of S&A.

### 4. SAFETY

While on a CLIENT'S jobsite, S&A's personnel have no authority to exercise any control over any construction contractor, any other entity, or their employees in connection with their work, health or safety precautions. The CLIENT agrees that the General Contractor is solely responsible for jobsite safety and warrants that this intent shall be made evident in the CLIENT'S agreement with the General Contractor. The CLIENT may be charged for additional work for interruption, downtime required, or safety measures required by hazardous job conditions.

### 5. INSURANCE

Upon request, S&A will furnish certificates of insurance for Workers Compensation, General and Auto insurance, and Professional Errors or Omissions insurance. S&A is not responsible for damage of any cause beyond the coverage of its insurance.

### 6. INDEMNIFICATION

#### 6.1 ENVIRONMENTAL SERVICES

It is understood and agreed that should the CLIENT hire S&A in matters involving the actual or potential presence of hazardous substances, the CLIENT will indemnify S&A, and its employees and representatives, from and against claims that are the result of negligent acts or omissions on the part of the CLIENT, its employees or representatives. S&A will indemnify the CLIENT from and against claims that are solely the result of negligent acts or omissions on the part of S&A, its employees or representatives.

**6.2 NON-ENVIRONMENTAL SERVICES**

Both parties agree that S&A's scope of services will not include asbestos, hazardous or toxic materials. Should it become known in any way that such materials may be present at the jobsite or adjacent area that may affect the performance of S&A's services, S&A may suspend its services without any liability until the CLIENT retains appropriate consultation to identify, abate, and/or remove the asbestos, hazardous or toxic materials and warrants that the jobsite is in compliance with applicable laws and regulations. The CLIENT will indemnify S&A and his employees and representatives from and against claims that are the result of negligent acts or omissions on the part of the CLIENT, his employees and representatives. S&A shall indemnify the CLIENT from and against claims, which are solely the result of negligent acts or omissions on the part of S&A, its employees and representatives.

**7. LIMITS OF LIABILITY**

The CLIENT agrees that S&A shall not be liable for losses caused by or arising from any acts of the CLIENT, his employees or subcontractors. Should any of S&A's employees be found to have been negligent in the performance of professional services rendered, the CLIENT agrees that the maximum aggregate amount of S&A's liability shall be limited to \$50,000.00 or the amount of the fee paid to S&A for professional services, whichever amount is greater.

**8. WAIVER OF LIMITATION OF PROFESSIONAL LIABILITY**

In the event the CLIENT is unwilling or unable to limit liability in accordance with the paragraph above, then CLIENT shall agree to pay S&A a sum equivalent to an additional 20% of the total fee to be charged for the professional services. Said sum is to be called "Waiver of Limitation of Liability Charge." This charge will in no way be construed as being a charge for insurance of any type, but will be increased consideration for the greater risk involved in performing the work up to the limit of proceeds available from S&A's professional insurance coverage.

**9. SAMPLE DISPOSAL**

**9.1 NON-HAZARDOUS SAMPLES**

Test samples are substantially altered during testing and are disposed of immediately upon completion of tests. Drilling samples are disposed of thirty (30) days after submission of our report. If requested in writing, samples can be held after thirty (30) days for an additional storage fee, or returned to the CLIENT.

**9.2 HAZARDOUS SAMPLES**

If toxic or hazardous substances are involved, S&A will return such samples to the CLIENT. Or using a manifest signed by the CLIENT, S&A will have such samples transported to a location selected by the CLIENT for final disposal. The CLIENT agrees to pay all costs for storage, transport and disposal of samples. The CLIENT recognizes and agrees that S&A is acting as a bailee and at no time assumes title to samples involving hazardous or toxic materials.

**10. PAYMENT**

Progress invoices will be submitted to the CLIENT monthly with a final billing at completion of services. Invoices are due and payable upon receipt. The CLIENT agrees to pay a finance charge of 1.5 % per month on all past due accounts over thirty (30) days. The CLIENT'S obligation to pay for all work contracted is in no way dependent upon the CLIENT'S ability to obtain financing, zoning approval, or the CLIENT'S successful completion of the project. S&A reserves the right to suspend work under its agreement if the CLIENT fails to pay invoices as due. The CLIENT agrees to pay all costs for collection of payment, including attorney's fees.

**11. LITIGATION**

In the event of litigation between parties to this agreement, if S&A is the prevailing party, S&A shall be entitled to recover all related costs, expenses, and reasonable attorney fees.

**November 19, 2021**

Mr. Andrew Baird  
 Kimley-Horn and Associates  
 201 North Montezuma, Suite 206  
 Prescott, AZ 86301

Submitted via e-mail to [andrew.baird@kimley-horn.com](mailto:andrew.baird@kimley-horn.com)

**Re: Brewer/Ranger and Ranger Extension Project – Scope of Work and Cost Quote for Public Involvement Services**

Mr. Baird:

Beta Public Relations (BetaPr) respectfully submits this Public Involvement Services scope of work and cost quote for the Brewer/Ranger and Ranger Extension Project. The project consists of creating a new roadway extension and intersection to connect Ranger Road and Brewer Road to Highway 89a. Due to the eventual benefits and potential impacts to area stakeholders, public involvement is important to managing perception of the project.

BetaPr has developed a comprehensive approach to public outreach and involvement for the Sedona community. Outlined below are the tasks associated with the project and estimated cost. If necessary, we can adjust our estimate to accommodate any changes to the scope of work.

Project Task	Estimated Cost
<p><b>Task 1 – Project Notification Flier Design and Production</b>            BetaPr will design and produce a project notification flier. The flier will highlight project details, invite stakeholders to attend the public meeting, and provide information on how to connect with the project team.</p>	\$1,050.00
<p><b>Task 2 – Project Notification Flier Mailing</b>            The project notification flier will be bulk mailed to fully saturate areas in and around the project corridor. In addition to this distribution, the notification flier will be mailed directly to property owners adjacent to the project corridor.</p>	\$275.00
<p><b>Task 3 – Stakeholder Outreach</b>            BetaPr will hand-deliver a project notification flier to each tenant along the project corridor, prior to the public meeting. We will seek to open lines of communication to help them understand the design project and invite them to attend the public meeting.</p>	\$1,100.00

<p><b>Task 4 – Newspaper Advertisement Design and Publication</b> BetaPr will design a newspaper advertisement for publication in the <i>Red Rock News</i>. The advertisement will invite interested parties to attend the public meeting, highlight project details, and provide information on how to connect with the project team.</p>	\$650.00
<p><b>Task 5 – Progress Meetings and Public Relations Updates</b> BetaPr will attend progress meetings throughout the design project to establish design team and City of Sedona contacts and provide Public Relations Updates.</p>	\$725.00
<p><b>Task 6 – Facilitate One Public Meeting</b> BetaPr will facilitate a public meeting to present design plans to area stakeholders. Facilitation includes acquiring a venue, producing meeting materials, assisting with presentations, and meeting set-up and take-down. Due to COVID-19, the project team may consider utilizing a virtual meeting to connect with stakeholders. Virtual meeting facilitation includes obtaining the meeting software, creating the meeting invitation, and mediating the digital comments and presentation. After the meeting is complete, a public meeting summary will be provided to the team compiling all comments and input received.</p>	\$1,950.00
<p><b>Task 7 – Project Hotline and Email Address Creation and Maintenance</b> BetaPr will establish and maintain a project hotline and email address. Hotline calls and emails will be answered throughout the design phase with all caller comments directed to the project team for resolution, if necessary.</p>	\$850.00
<p><b>Task 8 – Public Comments Log</b> A Public Comments Log documenting all project hotline calls, project-specific emails received, comments received via door-to-door outreach, and the resolution of those inquiries will be provided to the project team.</p>	\$375.00
<p><b>Task 9 – eNews Releases and Database Development</b> BetaPr will develop and release an eNews prior to the public meeting. Distribution will include the interested party database generated from requests received via door-to-door outreach and previous projects in the vicinity. The project database will be updated to include any new interested party contacts for future eNews communications.</p>	\$500.00
<p><b>Total Estimated Labor Expenses</b></p>	<b>\$7,475.00</b>

<b>Direct Expenses</b>	<b>Estimated Cost</b>
Notification Flier Printing – 1,450 pieces* x \$0.50 per piece <i>* Includes mailings, door to door distribution, and supplying copies to project team.</i>	\$725.00
Bulk mail postage – 1,322 pieces* x \$0.28 each <i>* Based on current USPS data to fully saturate project corridor and surrounding areas, totaling 1,096 residents and 226 business addresses.</i>	\$370.16
Direct mail postage – 75 pieces* x \$0.55 per piece <i>* Includes property owner addresses generated from the Coconino County Assessor's website.</i>	\$41.25
Travel expenses – 3 trips* @ 60 miles x \$0.58 per mile <i>* Assumes 3 trips including stakeholder outreach, progress meetings, and community meeting.</i>	\$104.40
Newspaper advertising fee – 1 publication run in the <i>Red Rock News</i>	\$600.00
Public meeting displays – Printing and reproduction	\$500.00
Digital Marketing Suite* – \$70.00 per month x 10 months <i>* Digital Marketing Suite includes project email address, eNews service, and hotline.</i>	\$700.00
<b>Total Estimated Direct Expenses</b>	<b>\$3,040.81</b>

**Total Estimated Project Cost    \$10,515.81**

Thank you for the opportunity to work on this project. If you have any questions regarding the scope of work, feel free to contact me at (928) 440-5080. We look forward to working with Kimley-Horn and Associates to provide effective public relations support for the Brewer/Ranger and Ranger Extension Project.

Sincerely,



**Conner Cassens**  
Project Manager  
BetaPr

CITY OF SEDONA  
Contract Document

NO PARTICIPATION IN BOYCOTT OF ISRAEL

In accordance with the requirements of A.R.S. § 35-393.01, if the Agreement requires Contractor to acquire or dispose of services, supplies, information technology or construction with a value of \$100,000 or more, then, by entering into this Agreement, Contractor certifies that it is not currently engaged in, and agrees for the duration of the Agreement to not engage in, a boycott of goods and services from Israel as that term is defined in A.R.S. § 35-393.

By submitting this response, Contractor agrees to indemnify and hold the City, its agents and employees, harmless from any claims or causes of action relating to the City's action based upon reliance on the above representations, including the payment of all costs and attorney fees incurred by the City in defending such an action.

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Contractor Name

---

Authorized Signature

---

Address

---

Printed Name

---

City State Zip

---

Title





**CITY COUNCIL  
AGENDA BILL**

**AB 2753  
December 14, 2021  
Regular Business**

**Agenda Item: 8a**

**Proposed Action & Subject:** Discussion/possible action regarding authorization to lease purchase three microtransit vehicles in an amount not to exceed \$336,000, plus interest, from Creative Bus Sales and approval of a Resolution approving the form of the federally taxable lease purchase agreement with Zions Bancorporation, N.A., and authorizing the execution and delivery thereof.

<b>Department</b>	Public Transit
<b>Time to Present</b>	15 Minutes
<b>Total Time for Item</b>	60 Minutes
<b>Other Council Meetings</b>	05/11/2021, 08/10/2021, 11/23/2021
<b>Exhibits</b>	A. Creative Bus Sales Quote B. Resolution C. Federally Taxable Lease Purchase Agreement D. Escrow Agreement

<b>City Attorney Approval</b>	Reviewed 12/6/2021 KWC	<b>Expenditure Required</b>	
		\$	Ranges from \$56,458.87 to \$57,161.04 (FY 2022 – FY 2027) Annual lease purchase costs)
<b>City Manager's Recommendation</b>	Authorize the lease purchase three microtransit vehicles in an amount not to exceed \$336,000, plus interest, from Creative Bus Sales via the Arizona State Cooperative Purchasing Contract and financing from Zions Bank.	<b>Amount Budgeted</b>	
		\$	1,350,000
		Account No. (Description)	52-5630-89-68B3 (Transit Bus Acquisition)
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**BACKGROUND:** On May 11, 2021, the Council received a proposal from staff to deploy a series of trailhead shuttle routes which included a microtransit on-demand shared-ride public transit service. Microtransit is a public transit service that has been deployed successfully within several communities that have experienced similar traffic congestion issues that the City

of Sedona is facing. Microtransit is defined as an App-enabled, on-demand, shared-ride, public transportation service that utilizes the following technologies:

- Real-time passenger scheduling and vehicle tracking via the customer's mobile App.
- Advanced adaptive artificial intelligence technology provides increased efficiency, on-time performance, and customer satisfaction.

The microtransit service is intended to provide a value-added service for residents and visitors, allowing them to leave their car parked and use the service to travel to West and Uptown Sedona, the Tlaquepaque shopping village, and connect to the Trailhead Shuttle Exchange(s).

The Council provided direction at its May 11, 2021, meeting to proceed with the project.

Microtransit Simulation, Vehicle Requirements, & Service Hours:

In June of 2021, TransLoc™ Inc. completed a series of microtransit simulations to determine the quality of service that will be provided using a set number of vehicles (e.g., wait times, ride duration, etc.). TransLoc™ completed these simulations utilizing "Big Data" (e.g., demographic information, common trip generators, hotel occupancy data, traffic, and cellular access data) to provide predictive modeling of how the system will perform before it is placed into service. This information is key to managing customer expectations so that they can plan their trips accordingly. The simulations predicted that a microtransit system of four vehicles should adequately provide up to about 150 one-way trips per day for the established microtransit service area; however, as daily trips approach 200, rider experience metrics such as wait time and ride time may begin to degrade.

*Note:* As this is a shared ride service, one-way trips do not denote the number of passengers carried. *Example:* conservatively, should the service carry an average of five passengers per service hour, the system could potentially carry as many as 230 passengers per day.

A	B	C	D
Daily Service Hours Per Vehicle	# Of Vehicles	Passengers Carried Per Hour	Daily Passengers carried
11.5	4	5	230

$$A*B*C = D$$

Staff will continue to monitor key performance indicators (e.g., passenger boardings, on-time performance, ride duration, fare box recovery, passengers per service hour) and adjust the service accordingly.

5339 FTA Grant Award:

In late August of 2021, ADOT issued a preliminary 5339 grant award to the City for the purchase of 2 microtransit vehicles; however, given the nature of Federal procurements it is anticipated that ADOT would not be able to order the vehicles from the state contract until January 2022.

The procurement of three additional vehicles is necessary to ensure that the City acquires a total of five microtransit vehicles which would allow for up to four vehicles to be placed into service while maintaining one spare vehicle.

**RECOMMENDATION:**

1. Authorize staff to purchase three (3) microtransit vehicles through Creative Bus Sales from the Arizona State Cooperative Purchasing Contract, which offers the best pricing for this vehicle class while avoiding a lengthy procurement and competitive bid process.

2. Authorize staff to enter into a lease purchasing agreement with Zions Bank to finance the purchase of three (3) microtransit vehicles.

**FISCAL IMPACT:**

The total expenditure shall not exceed \$336,000, plus interest, for this procurement. See Exhibit A (Creative Bus Sales Quote) and Exhibit c (Zions Bank Federally Taxable Lease Purchase Agreement).

Lease purchase financing – Zions Bank: Quotes were requested from several banks that offer lease purchase financing for local governments. The lowest quote received was from Zions Bank. While the budget originally anticipated an outright purchase, with the current low interest rates, the City has been leasing large dollar capital items. The lease purchase agreement is included as Exhibit B. The lease includes the following terms:

- 5-year term commencing January 12, 2022
- Semiannual payments with fiscal totals ranging from \$56,458.87 to \$57,161.04
- Payments beginning February 1, 2022
- Interest rate of 2.08% - Interest rates have risen slightly since the rate lock for the last lease purchase.
- No prepayment penalty (with such a low interest rate, staff does not plan to pay this off early).

Lease purchase payments would be paid from the Public Transit Fund covered by transfers from the Transportation Sales Tax Fund.

Since the buses will be operated by a for-profit contractor, the debt financing must be considered a taxable debt financing instead of a non-taxable debt financing, which results in a slightly higher interest rate paid by the City.

As these buses are to be acquired from the state contract and shall be used for public transit, the City does not pay sales tax on this procurement.

**DISCUSSION:**

Service Days/Hours & Implementation Timeline:

As planned, the microtransit service will deploy in early July of 2022. The service will operate on the same days that the Trailhead shuttles are in operation (Thursday – Sunday); however, service will begin at 7:30 AM and end at 7:00 PM. The expanded span of service will allow passengers to connect with the first outbound and last inbound trips of the planned trailhead shuttles.

Vehicle Information:

OEM: Fiat Chrysler  
Model: Ram Promaster 3500– Low Floor - High Roof Chassis  
Model Year: 2021  
Engine: 3.6L V6 24V VVT  
Propulsion System: Gasoline  
Capacity: 10 Passenger / 2 Wheelchair



*Ram Promaster 3500*

Alternative Propulsion Systems:

Currently, there are no hybrid or battery electric models in this class of vehicle available on the Arizona State contract. Creative Bus Sales anticipates a battery electric light duty accessible transit van to become available on the state contract within the next twelve to eighteen months; however, with the ongoing supply chain issues the availability of those units within that timeframe is not certain.

Additionally, staff was unable to locate any hybrid models in this vehicle class that were fully accessible from other dealerships.

Delivery Timeline:

Due to supply chain issues in the wake of the COVID-19 pandemic, the Original Equipment Manufacturer (OEM) has projected up to a five-month lead time for the delivery of the 2021 models. If this timeline holds true, the vehicles could arrive in time to deploy the planned microtransit service, which is tentatively scheduled to begin in early July of 2022.

Local Maintenance Support:

Creative Bus Sales has agreed to certify a local fleet maintenance firm located in Camp Verde to perform all warranty work, general repairs, and preventative maintenance. Having local maintenance support will avoid having to shuttle or tow the vehicles to Creative Bus's maintenance facility in Phoenix.

**Community Plan Consistent:** Yes - No - Not Applicable

One of the six desired outcomes of the Community Plan is the reduction of vehicular traffic. The plan contemplates the development of a comprehensive public transit system that offers residents and visitors an alternative to driving.

**Climate Action Plan/Sustainability Consistent:** Yes - No - Not Applicable

The City's Climate Action Plan (CAP) sites the second largest source of CO<sub>2</sub> emissions in Sedona is from the use of fossil fuels in vehicles and other motorized equipment. A mode shift to public transit reduces the number of passenger vehicle miles traveled which results in the displacement of CO<sub>2</sub> emissions. One of the specific CAP strategies is to improve and increase transit ridership. Related strategies include a sustained commitment for a transition to electric

and other low-carbon fuels and a shift to alternative modes of transportation such as ride sharing, public transit, biking, and walking.

**Board/Commission Recommendation:**  **Applicable** -  **Not Applicable**

**Alternative(s):**

**MOTION**

**I move to:** authorize the lease purchase of three microtransit Vehicles in an amount not to exceed \$336,000, plus interest, from Creative Bus Sales via the Arizona State Cooperative Purchasing Contract and financing from Zions Bank.

**I move to:** approve Resolution No. 2021-\_\_\_, approving the form of the federally taxable lease purchase agreement with Zions Bancorporation, N.A., Salt Lake City, Utah and authorizing the execution and delivery thereof.



# ADOA

**Solicitation #: BPM003324 / Contract #: CTR054848**  
**FY 2021**

Preparer: MIKE RIGNEY

**Base Model**

Lone Star Promaster 3500 3.6L V6 9,350 GVWR

Base Model Price: \$ 92,292.00

Options: \$ 2,932.00

CBS Published Options: \$ 16,065.00

CBS Unpublished Options: \$ 650.00

County Delivery Cost: Coconino \$ 250.00



Vehicle Length	Lift Position	WC Positions	Total # Passengers	CDL Required
21'	Side	2	10	No

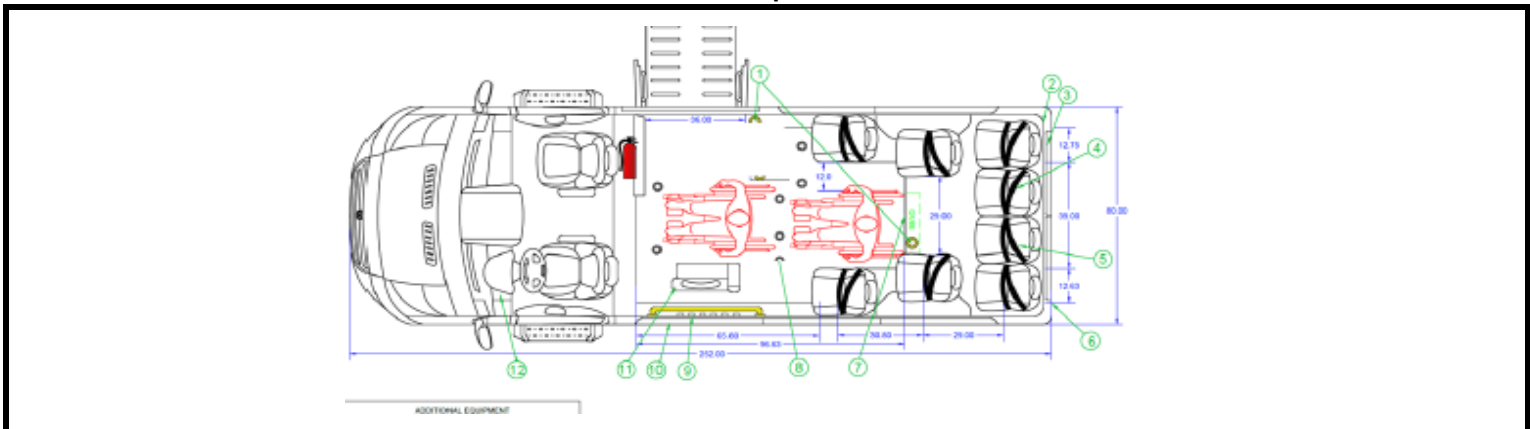
QTY Vehicles: 1 Total Contract Price: **\$ 112,189.00**

Per Vehicle Price: \$ 112,189.00

**Customer Info**

<b>Customer:</b>	ADOT: CITY OF SEDONA
<b>Address:</b>	
<b>Contact:</b>	
<b>Office Phone:</b>	
<b>Mobile Phone:</b>	
<b>E-Mail:</b>	

**Floorplan**



**Chassis**

Ram Promaster 3500 High Roof chassis - 9,350 GVWR, 159" WB EXT  
3.6L V6 24V VVT gasoline engine  
6-Speed Automatic 62TE Transmission  
220-amp alternator  
Power-assisted hydraulic front & rear disc brakes  
4-wheel anti-lock brake system  
22-gallon OEM fuel tank  
16"x6" aluminum wheels  
Cruise control  
Cloth driver and co-pilot seats  
Driver/Co-pilot sun visor  
Power windows  
Power door locks  
Power-heated mirrors  
Fast idle  
OEM chassis dash heater, A/C, and defroster  
Rear A/C and rear heater  
Bright white clear coat

**Body**

Lowered floor behind driver/co-pilot for ADA access  
Driver/Co-pilot side steps  
Electric passenger entry door (36" A&M Systems)  
3-pt passenger seat belts  
2-Passenger Freedman Seats, 3pt (on back-level 4 vinyl) curbside  
2-Passenger Freedman Seats, 3 pt (on back-level 4 vinyl) streetside  
1 per van / 1 Passenger rigid seats (level 4 vinyl) curbside  
1 per van / 1 Passenger rigid seat (level 4 vinyl) streetside  
ABS interior paneling - walls and ceiling  
LED strip lighting  
Handrails & decals  
Amber LED light  
Altro flooring

**ADA**

Manual swing away ramp providing 32" usable width  
One (1) set of Q'Straint retractable wheelchair securement systems (Slide n Click)  
Storage bags - 1 per van  
ADA interlock  
ADA-compliant ramp and door entrance lighting

**Safety**

5 lb. fire extinguisher  
First aid kit  
Emergency triangle kit  
Backup alarm  
Emergency window

## Options

Qty	Part #	Description	FY 2021 List Price	QTY Total
1	P15-010	ADDITIONAL Q'Straint with SLIDE N CLICK	\$ 811.00	\$ 811.00
1	P35-002	QUBE retractable system for 2nd position on back	\$ 1,022.00	\$ 1,022.00
1	P35-010	Double Fold-A-Way	\$ 1,099.00	\$ 1,099.00
			<b>Subtotal Manufacturer Options:</b>	<b>\$ 2,932.00</b>

## CBS Published Options

Qty	Part #	Description	FY 2021 List Price	QTY Total
1	CBS-S-5	Camber/Caster sleeves for Alignment	\$ 150.00	\$ 150.00
1	CBS-S-21	<i>Detail</i>	\$ 250.00	\$ 250.00
1	CBS-S-72	Graphics Package E- Levels 1-8 Custom	\$ 3,500.00	\$ 3,500.00
1	CBS-S-78	Safe Fleet - Seon TH4	\$ 3,765.00	\$ 3,765.00
1	CBS-S-83	Hanover Displays Frt	\$ 4,200.00	\$ 4,200.00
1	CBS-S-84	Hanover Displays Side	\$ 3,000.00	\$ 3,000.00
1	CBS-S-110	DIAMOND MANUFACTURING SV	\$ 1,200.00	\$ 1,200.00
			<b>Subtotal Manufacturer Options:</b>	<b>\$ 16,065.00</b>

## CBS Unpublished Options

Qty	Part #	Description	FY 2021 List Price	QTY Total
1		2 POSITION BIKE RACK W/FAT TIRE	\$ 3,750.00	\$ 3,750.00
1		DRIVER BARRIER KIT	\$ 1,795.00	\$ 1,795.00
1		DISCOUNT CITY OF SEDONA	\$ (4,895.00)	\$ (4,895.00)
			<b>Subtotal CBS Unpublished Options:</b>	<b>\$ 650.00</b>



**RESOLUTION NO. 2021-\_\_**

**A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF SEDONA, ARIZONA, APPROVING A LEASE PURCHASE AGREEMENT WITH ZIONS BANCORPORATION, N.A., FOR FUNDS TO BE USED BY THE CITY TO LEASE/PURCHASE MICROTRANSIT VEHICLES; PROVIDING AUTHORIZATION FOR THE MAYOR TO EXECUTE AND DELIVER SAID AGREEMENT.**

WHEREAS, the City of Sedona ("City") has determined that the leasing of the microtransit vehicles as described in the Lease Purchase Agreement is for a valid public purpose and is essential to the operations of the City; and

WHEREAS, the City Council has reviewed the form of the Lease Purchase Agreement and has found the terms and conditions thereof acceptable; and

WHEREAS, the City has taken the necessary steps to comply with legal bidding requirements to arrange for the leasing of such property.

NOW THEREFORE BE IT RESOLVED BY THE MAYOR AND THE COUNCIL OF THE CITY OF SEDONA, ARIZONA AS FOLLOWS:

SECTION 1. That it is deemed in the best interest of the City of Sedona and the citizens thereof that the Lease Purchase Agreement for leasing/purchasing of microtransit vehicles be entered into, which agreement is now on file in the office of the City Clerk.

SECTION 2. That Mayor or designee is authorized to execute and deliver said Lease Purchase Agreement in substantially the form presented on behalf of the City. That City officers are authorized to may make such changes to the Lease Purchase Agreement and related documents and certificates as such officers deem necessary and to fulfill all obligations under the terms of the Lease Purchase Agreement.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 14<sup>th</sup> day of December, 2021.

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Sandra J. Moriarty, Mayor

ATTEST:

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Susan L. Irvine, CMC, City Clerk

APPROVED AS TO FORM:

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Kurt W. Christianson, City Attorney

## FEDERALLY TAXABLE ARIZONA FIXED EQUIPMENT LEASE

Long Name of Entity: City of Sedona  
Address: 102 Roadrunner Drive  
City, State Zip: Sedona, AZ 86336  
Attention: Cherie Wright

Public Finance Office:

County: Coconino  
Amount: 322,665.00  
Rate: 2.08  
Maturity Date: January 12, 2027  
First Pmt Date: January 12, 2023  
Payment Dates: January 12, 2022  
Auto Extend: 5  
Governing Body: City Council  
Resolution Date: December, 2021  
Dated Date: January, 2022  
Day: 12th  
State: **Arizona**

**\$322,665.00**  
**City of Sedona**  
**FEDERALLY TAXABLE Lease Purchase Agreement**

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

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FEDERALLY TAXABLE LEASE/PURCHASE AGREEMENT

Dated as of January 12, 2022

by and between

**ZIONS BANCORPORATION, N.A.,**  
as Lessor

and

**CITY OF SEDONA,**  
as Lessee

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## FEDERALLY TAXABLE LEASE/PURCHASE AGREEMENT

THIS FEDERALLY TAXABLE LEASE/PURCHASE AGREEMENT, dated as of January 12, 2022, by and between Zions Bancorporation, N.A., a national banking association duly organized and existing under the laws of the United States of America, as lessor (the “Bank” or “Lessor”), and City of Sedona (the “Lessee”), a public agency of the State of Arizona (the “State”), duly organized and existing under the Constitution and laws of the State, as lessee;

### W I T N E S S E T H:

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

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

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

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

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

## ARTICLE I

### DEFINITIONS AND EXHIBITS

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

“Acquisition Amount” means \$322,665.00 and is the amount represented by Lessee to be sufficient to acquire the Leased Property and pay any ancillary costs associated therewith.

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

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

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

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

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

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

“Escrow Agreement” means the Escrow Agreement dated January 12, 2022 executed by Lessee, Bank and the Escrow Agent, pursuant to which the Escrow Account is established and administered. A copy of the Escrow Agreement shall be found in Exhibit G.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE II

### REPRESENTATIONS, COVENANTS AND WARRANTIES

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

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

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

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

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

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

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

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

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

(e) Compliance with Bidding Requirements. Either there are no procurement or public bidding laws of the State applicable to the acquisition and leasing of the Leased Property



pursuant to this Lease, or the Governing Body and the Lessee have complied with all such procurement and public bidding laws as may be applicable hereto.

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

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

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

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

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

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

(l) [RESERVED]

(m) [RESERVED]

(n) Reports to State. The Lessee has duly authorized and executed this Lease in accordance with A.R.S. section 35-501 and has filed with the State of Arizona all reports required thereunder relating to this Lease.

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

## ARTICLE III

### AGREEMENT TO LEASE; TERM OF LEASE; LEASE PAYMENTS

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

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

SECTION 3.2 Term. The Term of this Lease shall commence on the date of execution of this Lease, which is also the date on which the Acquisition Amount is deposited with the Escrow Agent, including delivery to the Bank by the Lessee of fully completed documents in the forms set forth in Exhibits B, C, D, E, F and G 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 5 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), (c) or (e) with the final Renewal Term ending on January 12, 2027, 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.
- (e) Lessee may terminate this Lease at any time pursuant to A.R.S. § 38-511, to the extent applicable.

### 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), (c) or (e), the Lessee shall transfer the Leased Property to the Bank in such manner as may be specified by the Bank, and the Bank shall have the right to take possession of the Leased Property by virtue of the Bank's ownership interest as lessor of the Leased Property, and the Lessee at the Bank's direction shall ship the Leased Property to the destination designated by the Bank by loading the Leased Property at the Lessee's cost and expense, on board such carrier as the Bank shall specify.

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

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

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

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

## ARTICLE IV

### INSURANCE

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

**SECTION 4.2 Damage to or Destruction of the Leased Property.** If all or any part of the Leased Property is lost, stolen, destroyed, or damaged, Lessee will give Bank prompt notice of such event and will, to the extent permitted by law, repair or replace the same at Lessee's cost. If such lost, stolen, destroyed or damaged Leased Property is equipment, it shall be repaired or replaced within thirty (30) days after such event. If such lost, stolen, destroyed or damaged Leased Property is other than equipment, it shall be repaired or replaced within one hundred eighty (180) days after such event. Any replaced Leased Property will be substituted in this Lease by appropriate endorsement. All insurance proceeds received by Bank under the policies required under Section 4.1 with respect to the Leased Property lost, stolen, destroyed, or damaged, will be paid to Lessee if the Leased Property is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement, such proceeds will be paid to Bank to the extent of the then remaining portion of the Lease Payments to become due during the Scheduled Term of this Lease less that portion of such Lease Payments attributable to interest which will not then have accrued as provided in Section 8.1. No loss, theft, destruction, or damage to the Leased Property will impose any obligation on Bank under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss, theft, destruction, or damage to the Leased Property and for injuries or deaths of persons and damage to property however arising, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such damage to property be to Lessee's property or to the property of others.

ARTICLE V  
COVENANTS

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

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

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

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

SECTION 5.3 Maintenance, Utilities, Taxes and Assessments.

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

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

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

SECTION 5.4 Modification of the Leased Property.

(a) Additions, Modifications and Improvements. The Lessee shall, at its own expense, have the right to make additions, modifications, and improvements to any portion of the Leased Property if such improvements are necessary or beneficial for the use of such portion of the Leased Property. All such additions, modifications and improvements shall thereafter comprise part of the Leased Property and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage any portion of the Leased Property or cause it to be used for purposes other than those authorized under the provisions of State and federal law; 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, and (B) will not adversely affect the validity of this Lease.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

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

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

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

corrective action is instituted by the Lessee within the applicable period and diligently pursued until the default is corrected.

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

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

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

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

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

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

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

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

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

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



ARTICLE VIII

PREPAYMENT OF LEASE PAYMENTS IN PART

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

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

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

ARTICLE IX

MISCELLANEOUS

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

If to Bank:

Zions Bancorporation, N.A.  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133  
Attention: Kirsi Hansen

If to the Lessee:

City of Sedona  
102 Roadrunner Drive  
Sedona, AZ 86336  
Attention: Cherie Wright

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

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

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

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

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

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

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

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

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

SECTION 9.10 Arbitration. To the extent permitted by law, any dispute, controversy or claim arising out of or based upon the terms of this Lease or the transactions contemplated hereby shall be settled exclusively and finally by binding arbitration. Upon written demand for arbitration by any party hereto, the parties to the dispute shall confer and attempt in good faith to agree upon one arbitrator. If the parties have not agreed upon an arbitrator within thirty (30) days after receipt of such written demand, each party to the dispute shall appoint one arbitrator and those two arbitrators shall agree upon a third arbitrator. Any arbitrator or arbitrators appointed as provided in this section shall be selected from panels maintained by, and the binding arbitration shall be conducted in accordance with the commercial arbitration rules of, the American Arbitration Association (or any successor organization), and such arbitration shall be binding upon the parties. The arbitrator or arbitrators shall have no power to add or detract from the agreements of

the parties and may not make any ruling or award that does not conform to the terms and conditions of this Lease. The arbitrator or arbitrators shall have no authority to award punitive damages or any other damages not measured by the prevailing party's actual damages. Judgment upon an arbitration award may be entered in any court having jurisdiction. The prevailing party in the arbitration proceedings shall be awarded reasonable attorney fees and expert witness costs and expenses.

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

SECTION 9.12 Immigration. To the extent applicable and except as stated below, pursuant to the provisions of the Section 41-4401 of the Arizona Revised Statutes, and in accordance with federal law and Bank's practice, Bank hereby warrants and certifies that Bank complies with the Immigration Reform and Control Act of 1986 and employment with the Bank is contingent on the successful completion of the I-9 verification process and the E-Verify requirements of Section 23-214(A) of the Arizona Revised Statutes. Such employment with Bank is not contingent on any of the other requirements of Section 23-214(A). Bank does not knowingly employ any individuals in the United States who are not legally authorized to work in the United States. For associate confidentiality reasons, Bank generally does not disclose or allow the inspection of its personnel records of its associates to third parties, including I-9 or e-Verify documentation. However, if there are concerns about an individual's eligibility to perform work in connection with this Agreement, please contact Lessor in accordance with Section 9.1 of this Agreement and Lessor will investigate and respond to these concerns.

SECTION 9.13 Boycotting Israel. Pursuant to Section 35-393 et seq., Arizona Revised Statutes, Bank hereby certifies it is not currently engaged in, and for the duration of this Agreement shall not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in Section 35-393, Arizona Revised Statutes. If it is determined that Bank's certification above is false or that it has breached such agreement, Lessee may impose remedies as provided by law.

[SIGNATURE PAGES TO FOLLOW]

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

**ZIONS BANCORPORATION, N.A.** , as Lessor

By: \_\_\_\_\_  
Authorized Officer

**CITY OF SEDONA**, as Lessee

By: \_\_\_\_\_  
\_\_\_\_\_  
Title

EXHIBIT A

FIXED RATE

LEASE PAYMENT DEBT SERVICE SCHEDULE\*

**1. Interest.** Interest components payable on the principal amount outstanding have been computed at the rate of two and eight hundredths' percent ( 2.08 %) per annum calculated based on twelve 30-day months during a 360-day year.

**2. Payment Dates and Amounts.**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
01/12/2022	-	-	-	-	-
02/01/2022	56,116.70	2.080%	354.21	56,470.91	56,470.91
08/01/2022	-	-	2,772.10	2,772.10	-
02/01/2023	51,616.84	2.080%	2,772.10	54,388.94	57,161.04
08/01/2023	-	-	2,235.29	2,235.29	-
02/01/2024	52,268.76	2.080%	2,235.29	54,504.05	56,739.34
08/01/2024	-	-	1,691.69	1,691.69	-
02/01/2025	53,125.96	2.080%	1,691.69	54,817.65	56,509.34
08/01/2025	-	-	1,139.18	1,139.18	-
02/01/2026	54,180.51	2.080%	1,139.18	55,319.69	56,458.87
08/01/2026	-	-	575.70	575.70	-
02/01/2027	55,356.23	2.080%	575.70	55,931.93	56,507.63
<b>Total</b>	<b>\$322,665.00</b>	<b>-</b>	<b>\$17,182.13</b>	<b>\$339,847.13</b>	<b>-</b>

EXHIBIT B

DESCRIPTION OF THE LEASED PROPERTY

Three (3) Lone Star Promaster 3500 #.6L V6 9,350 GVWR ADA Vans

VIN #s will be supplied at time of delivery

EXHIBIT D  
Opinion of Lessee's Counsel

To: Zions Bancorporation, N.A.  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133

As counsel for City of Sedona (“Lessee”), I have examined duly executed originals of the FEDERALLY TAXABLE Lease/Purchase Agreement (the “Lease”) dated this 12th day of January, 2022, between the Lessee and Zions Bancorporation, N.A. , Salt Lake City, Utah (“Bank”), and the proceedings taken by Lessee to authorize and execute the Lease (the “Proceedings”). Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

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

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Attorney for Lessee

EXHIBIT E

SECURITY DOCUMENTS

[Attach Certificates of Title showing Zions Bancorporation, N.A. as the lien holder]



EXHIBIT F

DELIVERY AND ACCEPTANCE CERTIFICATE

To: Zions Bancorporation, N.A.  
One South Main Street, 17<sup>th</sup> Floor  
Salt Lake City, Utah 84133

Reference is made to the Lease/Purchase Agreement between the undersigned (“Lessee”), and Zions Bancorporation, N.A. (the “Bank”), dated January 12, 2022 , (the “Lease”) and to that part of the Leased Property described therein which comprises personal property (collectively, the “Equipment”). In connection therewith we are pleased to confirm to you the following:

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

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

Lessee:

**CITY OF SEDONA**

By: \_\_\_\_\_  
(Authorized Signature)

Date: \_\_\_\_\_

EXHIBIT G  
FORM OF ESCROW AGREEMENT

## FORM OF ESCROW AGREEMENT

This Escrow Agreement (this “Agreement”) dated January 12, 2022, by and among ZIONS BANCORPORATION, N.A., a national banking association (hereinafter referred to as “Lessor”), CITY OF SEDONA, a body politic and corporate of the State of Arizona (hereinafter referred to as “Lessee”), and ZIONS BANCORPORATION, National Association, a national banking association (hereinafter referred to as “Escrow Agent”).

Reference is made to that certain Federally Taxable Lease/Purchase Agreement, dated January 12, 2022, between Lessor and Lessee (hereinafter referred to as the “Lease”), covering the acquisition and lease of certain Leased Property described therein (the “Leased Property”). It is a requirement of the Lease that the Acquisition Amount be deposited with the Escrow Agent hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Leased Property costs.

The parties agree as follows:

1. Creation of Escrow Account.

(a) There is hereby created a special trust fund to be known as the “City of Sedona Escrow Account” (the “Escrow Account”) to be held in trust by the Escrow Agent for the purposes stated herein, for the benefit of Lessor and Lessee, to be held, disbursed and returned in accordance with the terms hereof. On the date hereof, from proceeds of the Lease, Lessor has caused the amount of \$322,665.00 to be transferred to Escrow Agent for deposit into the Escrow Account.

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

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

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

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

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

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

(h) If Lessee and Lessor shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be reimbursed by Lessee for all costs, including reasonable attorneys’ fees, in connection with such civil action, and shall be fully

protected in suspending all or part of its activities under the Lease until a final judgment in such action is received.

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

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

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

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

## 2. Acquisition of Property.

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

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

(c) Requisition Procedure. No disbursement from the Escrow Account shall be made unless and until Lessor has approved such requisition. Prior to disbursement from the Escrow Account there shall be filed with the Escrow Agent a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and

the name of the person, firm or corporation to whom payment thereof is due. Each such requisition shall be signed by Cherie Wright (including her successors or anyone whom her successors may appoint to sign) of Lessee (an "Authorized Representative") and by Kirsi Hansen or her designees of Lessor, and shall be subject to the following:

1. Delivery to Lessor of an executed Disbursement Request in the form attached hereto as Schedule 1 certifying that:

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

2. Delivery to Lessor invoices (and proofs of payment of such invoices, if Lessee seeks reimbursement); bills of sale (if title to such Leased Property has passed to Lessee); a description, and serial and/or VIN number for each item and any additional documentation reasonably requested by Lessor;

3. Deposit to Escrow Account. Upon execution of the Lease and the satisfaction of any conditions specified in the Lease or otherwise, Lessor will cause the Acquisition Amount of \$322,665.00 to be deposited into the Escrow Account. Lessee agrees to pay any costs with respect to the Leased Property in excess of amounts available therefor in the Escrow Account and to pay delivery costs in excess of amounts available therefor in the Escrow Account; provided, however, that any amount required for either such purpose shall be payable solely from moneys that have been appropriated by Lessee for such purpose.

4. Excessive Escrow Account. Any funds remaining in the Escrow Account on or after the date on which Lessee executes the Delivery and Acceptance Certificate, or upon a

termination of the Escrow Account as otherwise provided herein, shall be delivered by the Escrow Agent to Lessor, and Lessor shall apply such funds to amounts owed under the Lease.

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

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

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

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

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

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

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, Escrow Agent may allow Lessee to effect sales, trades, transfers and exchanges of Collateral within the Escrow Account, but will not, without the prior written consent

of Lessor, allow Lessee to withdraw any Collateral from the Escrow Account. Escrow Agent acknowledges that Lessor reserves the right, by delivery of written notice to Escrow Agent, to prohibit Lessee from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Escrow Account. Further, Escrow Agent hereby agrees to comply with any and all written instructions delivered by Lessor to Escrow Agent (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by Lessor, the amount of any obligations of Lessee to Lessor, the validity of any of Lessor's claims against or agreements with Lessee, the existence of any defaults under such agreements, or any other matter.

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

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

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

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

7. Information Required Under USA PATRIOT ACT. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 23, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

8. Fee Schedule; Initial Fee. \$1,500.00, annually.

9. Miscellaneous.

(a) Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease. This agreement may not be amended except in writing signed by



all parties hereto. This agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to Lessor:                    ZIONS BANCORPORATION, N.A.  
1 South Main Street 17<sup>th</sup> Floor  
Salt Lake City, UT 84133  
Attn: Jon Dunfield, Vice President

If to Lessee:                    City of Sedona  
102 Roadrunner Dr.  
Sedona, AZ 86336  
Attn: Cherie Wright

If to Escrow Agent:        ZIONS BANCORPORATION, National Association  
Corporate Trust Department  
6001 North 24<sup>th</sup> Street, Bldg. B  
Phoenix, AZ 85016  
Attn: \_\_\_\_\_, Corporate Trust Officer

(b) As required by the provisions of Arizona Revised Statutes Section 38-511, as amended, notice is hereby given that the District may, within three (3) years of the execution hereof, cancel this Agreement without penalty or further obligations, if any person significantly involved in initiating, negotiation, securing, drafting or creating this Agreement on behalf of the District is, at any time while this Agreement or any extension of this Agreement is in effect, an employee or agent of the Escrow Agent or a consultant to the Escrow Agent with respect to the subject matter of this Agreement. The cancellation shall be effective when written notice from the District is received by the Escrow Agent unless the notice specifies a later time.

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

ZIONS BANCORPORATION, N.A.  
as Lessor

CITY OF SEDONA  
as Lessee

By: \_\_\_\_\_  
\_\_\_\_\_, Vice President

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ZIONS BANCORPORATION, National Association  
as Escrow Agent

By: \_\_\_\_\_  
\_\_\_\_\_, Corporate Trust Officer

**SCHEDULE 1**

**TO THE ESCROW AGREEMENT**

**FORM OF DISBURSEMENT REQUEST**

Re: Federally Taxable Lease/Purchase Agreement, dated January 12, 2022 (the “Lease”), between ZIONS BANCORPORATION, N.A., as Lessor, and CITY OF SEDONA, as Lessee (Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Lease.)

In accordance with the terms of the Escrow Agreement, dated January 12, 2022 (the “Escrow Agreement”) by and among ZIONS BANCORPORATION, N.A., a national banking association (“Lessor”), CITY OF SEDONA (“Lessee”) and ZIONS BANCORPORATION, National Association, (the “Escrow Agent”), the undersigned hereby requests the Escrow Agent pay the following persons the following amounts from the Escrow Account created under the Escrow Agreement for the following purposes:

PAYEE’S NAME AND ADDRESS	INVOICE NUMBER	DOLLAR AMOUNT	PURPOSE (INCLUDE SERIAL AND/OR VIN NUMBER)

The undersigned hereby certifies as follows:

(i) The date on which “acceptance” occurred with respect to the portion of the Leased Property for which disbursement is hereby requested is \_\_\_\_\_, and such portion of Leased Property is hereby accepted by Lessee for all purposes of the Lease.

(ii) An obligation in the stated amount has been incurred by Lessee, and the same is a proper charge against the Escrow Account for costs relating to the Leased Property identified in the Lease, and has not been paid (or has been paid by Lessee and Lessee requests reimbursement thereof), and the Leased Property relating to such obligation has been delivered, installed, is operating in a manner consistent with the manufacturer's intended use and has been inspected and finally accepted for all purposes by Lessee. Lessee has conducted such inspection and/or testing of the Leased Property relating to such obligation as it deems necessary and appropriate in order to determine the

Leased Property's capability and functionality in order to accept such Leased Property. Attached hereto is the original invoice with respect to such obligation.

(iii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iv) This requisition contains no item representing payment on account, or any retained percentages which Lessee is, at the date hereof, entitled to retain (except to the extent such amounts represent a reimbursement to Lessee).

(v) The Leased Property is insured in accordance with the Lease.

(vi) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vii) No Material Adverse Change in Lessee's financial condition shall have occurred since the date of the execution of the Lease.

(ix) The representations, warranties and covenants of Lessee set forth in the Lease are true and correct as of the date hereof.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

Disbursement of funds from the Escrow Account in accordance with the foregoing Disbursement Request hereby is authorized

ZIONS BANCORPORATION, N.A.,  
as Lessor under the Lease

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**CITY COUNCIL  
AGENDA BILL**

**AB 2755  
December 14, 2021  
Regular Business**

**Agenda Item:** 8b  
**Proposed Action & Subject:** Discussion/possible direction regarding a possible joint meeting(s) between the City Council and the Planning and Zoning Commission and potential agenda items for said meeting(s).

<b>Department</b>	City Manager's Office
<b>Time to Present</b>	5 minutes
<b>Total Time for Item</b>	60 minutes
<b>Other Council Meetings</b>	None
<b>Exhibits</b>	None

City Attorney Approval	Reviewed 12/6/2021 KWC	<b>Expenditure Required</b>	
		\$	0
		<b>Amount Budgeted</b>	
		\$	0
City Manager's Recommendation	For discussion and direction only.	Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** On October 12, 2021, Councilors Ploog and Thompson requested a future agenda item to discuss a possible joint work session(s) with the Planning and Zoning Commission that may be necessary relative to the Community Plan update process that was recently initiated, and/or potential other items. This agenda item has been scheduled to facilitate that discussion amongst the entire Council and give Council an opportunity to provide direction to staff regarding a possible future joint meeting(s).

Should the Council wish to hold a future joint meeting(s), they may wish to identify specific future agenda items and/or direct staff to solicit possible future agenda items from the Planning and Zoning Commission in advance of scheduling a joint meeting.

Once agenda items have been identified, either by the City Council or by both bodies, the Mayor and P&Z Chair or some combination of representatives from each body could be tasked with finalizing an agenda. Other options for how to proceed could also be identified by the Council.

**Community Plan Compliant:**  Yes -  No -  Not Applicable

**Climate Action Plan/Sustainability Consistent:**  Yes -  No -  Not Applicable

**Board/Commission Recommendation:**  Applicable -  Not Applicable

**Alternative(s):** N/A

**MOTION**

**I move to:** for discussion and possible direction only.



**CITY COUNCIL  
AGENDA BILL**

**AB 2571  
December 14, 2021  
Regular Business**

**Agenda Item:** 8c

**Proposed Action & Subject:** Discussion/possible direction regarding issues surrounding the COVID-19 pandemic and the City's response.

<b>Department</b>	City Manager
<b>Time to Present</b>	10 minutes
<b>Total Time for Item</b>	15 minutes
<b>Other Council Meetings</b>	March 24, 2020, April 14, 2020, April 28, 2020, May 12, 2020, May 26, 2020, June 9, 2020, June 23, 2020, July 14, 2020, July 28, 2020, August 11, 2020, September 8, 2020, September 22, 2020, October 13, 2020, October 27, 2020, November 10, 2020, November 24, 2020, December 9, 2020, January 12, 2021, January 26, 2021, February 9, 2021, February 23, 2021, March 9, 2021, March 23, 2021, April 13, 2021, April 27, 2021, May 11, 2021, May 25, 2021, June 8, 2021, June 22, 2021, July 13, 2021, July 27, 2021, August 10, 2021, September 14, 2021, September 28, 2021, October 12, 2021, October 26, 2021, November 9, 2021, November 23, 2021
<b>Exhibits</b>	None

City Attorney Approval	Reviewed 12/6/2021 KWC	<b>Expenditure Required</b>	
		\$	0
City Manager's Recommendation	For discussion and possible direction only.	<b>Amount Budgeted</b>	
		\$	0
		Account No. (Description)	N/A
		Finance Approval	<input checked="" type="checkbox"/>

**SUMMARY STATEMENT**

**Background:** This item was added to ensure opportunity to discuss the latest updates with the COVID-19 pandemic and the City's response.

The City continues regular communication with state and county health departments, hospitals, other healthcare providers, emergency responders, emergency managers, and policy experts.

During the meeting staff will present up-to-date information on COVID-19 related data, regulatory changes, and news on City finances.

**Community Plan Consistent:**  Yes -  No -  Not Applicable

**Climate Action Plan/Sustainability Consistent:**  Yes -  No -  Not Applicable

**Board/Commission Recommendation:**  Applicable -  Not Applicable

**Alternative(s):** N/A

**MOTION**

**I move to:** for discussion and possible direction only.