



Working Session of the
Finance & Operations Committee

Wednesday, April 12, 2017, 12:00 – 1:45 p.m.

Frontlines Headquarters Building, Golden Spike Rooms, 669 West 200 South, Salt Lake City

Members of the public are invited to attend all committee meetings, and public comment may be taken at the discretion of the committee chair. If public comment is not taken at the committee meeting, the public will be able to review and provide comment via www.rideuta.com on all action items prior to the next full Board of Trustees meeting. If public comment is taken at the committee meeting, in order to be considerate of time and the agenda, comments will be limited to 2 minutes per individual, or 5 minutes for a spokesperson designated to represent a group.

Committee Members: *Jeff Acerson, FOC Chair*

Cort Ashton

Jeff Hawker (excused)

Greg Bell

Dannie McConkie

Agenda

	<u>Executive:</u>	<u>Forward to Board:</u>
1. Safety First Minute	Dave Goeres	
2. <i>02-08-17: TOC & FOC Joint Meeting Report Approval</i>	Jeff Acerson	
3. <i>Dec/Jan/Feb Financial Reports & Dashboards</i>	Bob Biles	[]
4. <i>2017 Leasing Program</i>	Bob Biles	[]
5. Informational Items & Presentations		
a. <i>Quarterly Investment Report</i>	Bob Biles	
b. <i>Operations/Capital/Assets Dashboards</i>	Todd Provost	
6. Capital Development & Asset Management Overview	Todd Provost	
7. Closed Session		
a. Discussion of the Purchase, Exchange, Lease or Sale of Real Property when Public Discussion would Prevent the Authority from Completing the Transaction on the Best Possible Terms.		
b. Strategy Session to Discuss the Character, Professional Competence, Physical or Mental Health of an Individual.		
c. Strategy Session to Discuss Collective Bargaining.		
d. Strategy Session to Discuss Pending or Reasonably Imminent Litigation.		
8. Action Taken Regarding Matters Discussed in Closed Session	Jeff Acerson	

- | | |
|--|--------------|
| 9. Liaison, Conference & External Committee Reports | Jeff Acerson |
| 10. Input & Date for the Next Committee Meeting | Jeff Acerson |
| a. March/April Financial Reports & Dashboards | |
| b. Planning (Bus/LR/CR) Presentation | |
| c. Safety Report & SSO Update | |
| d. GMSSC Report | |
| 11. Other Business | Jeff Acerson |
| 12. Adjourn | |

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	April 12, 2017
CONTACT PERSON:	Jeff Acerson, FOC Chair
SUBJECT:	Meeting of the Finance & Operations Committee of the Board of Trustees
BACKGROUND:	Safety is very important to the UTA and its employees. Each month, the safety group selects from suggested safety messages submitted by employees to be the message for the month then distributes it to the rest of the organization.
EXHIBITS:	<ul style="list-style-type: none">• April 2017 safety message

What is an emergency notification system (ENS) sign?



It is used to notify the railroad of an emergency or warning device malfunction.



UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	April 12, 2017
CONTACT PERSON:	Jeff Acerson, FOC Chair
SUBJECT:	Joint meeting of the Finance & Operations Committee with the Transit-Oriented Communities Committees of the Board of Trustees
BACKGROUND:	<p>The Transit-Oriented Communities met jointly with the Finance & Operations Committees on February 08, 2017. The report of the meeting is attached.</p> <p>The meeting minutes of the above-mentioned meeting are being presented for approval by the Finance & Operations Committee members.</p>
EXHIBITS:	<ul style="list-style-type: none">• 02-08-17 Report of the Joint Meeting of the Transit-Oriented Communities & Finance and Operations Committees of the Board

Trustee De Lay asked whether there will be a certain percentage of the units that will be built be designated as affordable housing? Mr. Blakesley responded that affordable housing is always part of the conversation. A discussion regarding affordable housing in Utah ensued. A point was made that each municipality in Utah is required to have a master affordable housing plan.

3. **West Jordan T.O.D. Phase 2 Financial Plan – Paul Drake, TOD Manager**

Financial Plans for Jordan Valley project were presented.

There are currently 362 units under construction with most units consisting of studio, one, two or a few three bedroom units. Size of apartments and townhomes was discussed.

4. **Phase 3 Townhomes discussion.**

5. **South Jordan Property disposition discussion.**

6. **Clearfield Property disposition discussion.**

7. **Quarterly Investment Report earnings – Bob Biles, Vice President of Finance for UTA,** presented an overview of UTA's investments.

Closed Session

Motion to go into closed session made by Trustee McConkie and seconded by Trustee Romero. Committee went into closed session.

Open Session resumed at 4:51 p.m.

Motion was made to recommend to the board the authorization for the President/CEO to dispose of .25 acres of property to be contributed in exchange for approximately .4 acres of property and to authorize the President/CEO to dispose of building improvements and property rights up to and including fee title to .6 acres of property on the South Jordan Project by Trustee Henderson. Motion was seconded by Trustee McConkie. Motion carried unanimously.

Motion made to recommend to the board the authorization for the President/CEO to dispose of Phase 1B property, including dedication of ROW, per terms of purchase and sale agreement in Clearfield made by Trustee De Lay. Motion was and seconded by Trustee McConkie. Motion carried unanimously.

Motion to adjourn made by Trustee Hall Everett at 4:57 p.m. Motion was seconded by Trustee McConkie. Meeting adjourned

Transcribed by Teri Black
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**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet**

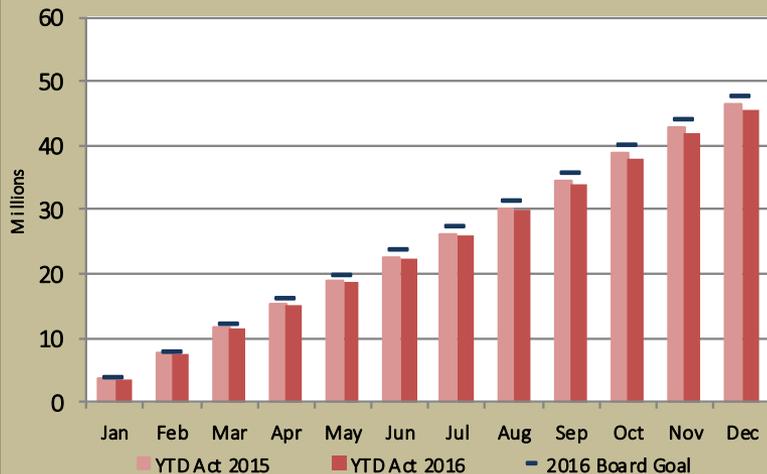
DATE:	April 12, 2017
TITLE:	Monthly Finance Reports
UTA EXECUTIVE/RESPONSIBLE STAFF MEMBER:	Robert Biles
SUBJECT:	December 2016, January 2017 & February 2017 Monthly Dashboards & Financial Reports
BACKGROUND:	In accordance with Board direction, staff prepares and presents a monthly financial statements to the Board for their review.
ALTERNATIVES:	none
BOARD STRATEGIC FOCUS ALIGNMENT:	Stewardship & Accountability
FINANCIAL IMPACT:	
LEGAL REVIEW:	N/A
EXHIBITS:	<ol style="list-style-type: none"> 1. Dashboards: Dec/Jan/Feb 2. Monthly Financial Reports: Dec/Jan/Feb

UTA Board Dashboard:

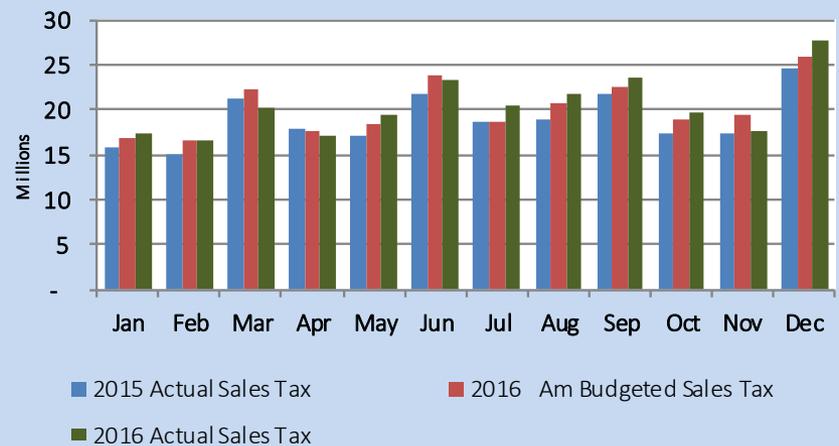
December 2016

Financial Metrics	Dec Actual	Dec Budget	Fav/ (Unfav)		YTD Actual	YTD Budget	Fav/ (Unfav)	
				%				%
Sales Tax (Dec '16 mm \$)	\$ 27.7	\$ 25.8	\$ 1.91	7.4%	\$ 245.0	\$ 242.0	\$ 3.03	1.3%
Fare Revenue (mm)	\$ 4.0	\$ 4.5	\$ (0.49)	-11.0%	\$ 50.4	\$ 53.3	\$ (2.86)	-5.4%
Operating Exp (mm)	\$ 24.3	\$ 23.6	\$ (0.71)	-3.0%	\$ 240.1	\$ 254.9	\$ 14.84	5.8%
Investment Per Rider (IPR)	\$ 5.55	\$ 4.23	\$ (1.32)	-31.2%	\$ 4.16	\$ 4.23	\$ 0.07	1.7%
IPR adj for fuel savings	\$ 5.74	\$ 4.23	\$ (1.51)	-35.7%	\$ 4.39	\$ 4.23	\$ (0.16)	-3.8%
UTA Diesel Price (\$/gal)	\$ 1.72	\$ 3.00	\$ 1.28	42.7%	\$ 1.49	\$ 3.00	\$ 1.51	50.2%
Operating Metrics	Dec Actual	Dec-15	F/(UF)		YTD Actual	YTD 2015	F/(UF)	
Ridership (mm)	3.6	3.9	(0.2)	-6.4%	45.6	46.6	(1.0)	-2.2%
Alternative Fuels	\$/gal	Revenue Development			YTD Actual	Full Year Goal	F/(UF)	Annldz %
CNG Price (Bus Diesel Equiv rtl)	\$ 1.20				\$ 10.16	\$ 15.20	(5.04)	72.9%
Debt Service	Dec Actual	Dec-15	Var	%	YTD Actual	YTD 2015	Var	%
Debt Service (net mm)	\$ 11.65	\$ 8.10	\$ 3.55	43.8%	\$ 107.82	\$ 92.95	\$ 14.87	16.0%

UTA Ridership Trends



UTA Sales Tax Trends

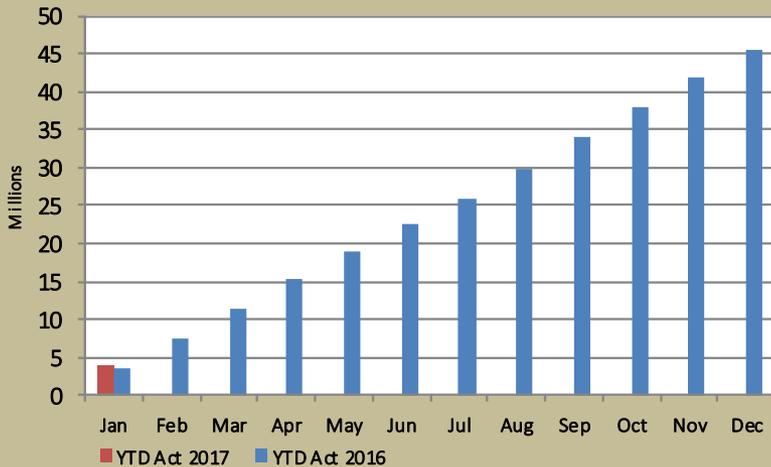


UTA Board Dashboard:

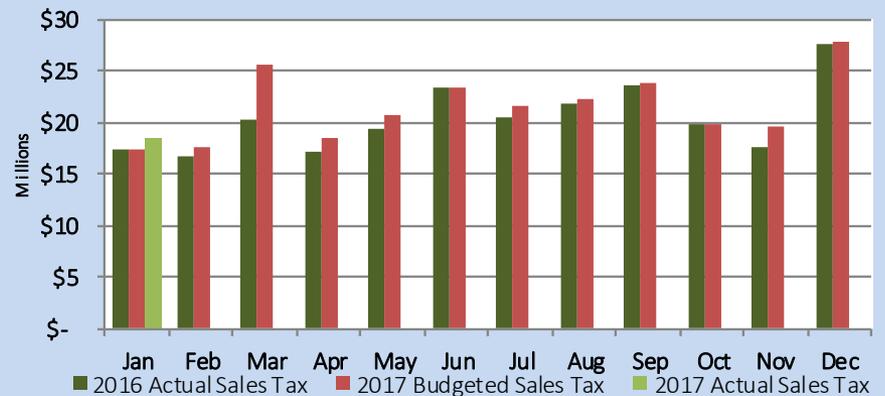
January 2017

Financial Metrics	Jan Actual	Jan Budget	Fav/ (Unfav)		YTD Actual	YTD Budget	Fav/ (Unfav)	
				%				%
Sales Tax (Jan '17 mm \$)	\$ 18.4	\$ 17.4	\$ 1.08	6.2%	\$ 18.4	\$ 17.4	\$ 1.08	6.2%
Fare Revenue (mm)	\$ 4.3	\$ 4.4	\$ (0.17)	-3.9%	\$ 4.3	\$ 4.4	\$ (0.17)	-3.9%
Operating Exp (mm)	\$ 20.8	\$ 22.3	\$ 1.56	7.0%	\$ 20.8	\$ 22.3	\$ 1.56	7.0%
Investment Per Rider (IPR)	\$ 4.41	\$ 4.50	\$ 0.09	2.0%	\$ 4.41	\$ 4.50	\$ 0.09	2.0%
IPR adj for fuel savings	\$ 4.55	\$ 4.50	\$ (0.05)	-1.1%	\$ 4.55	\$ 4.50	\$ (0.05)	-1.1%
UTA Diesel Price (\$/gal)	\$ 1.55	\$ 2.50	\$ 0.95	37.9%	\$ 1.55	\$ 2.50	\$ 0.95	38.0%
Operating Metrics	Jan Actual	Jan-16	F/(UF)		YTD Actual	YTD 2016	F/(UF)	
Ridership (mm)	3.75	3.68	0.1	1.7%	3.75	3.68	0.1	1.8%
Alternative Fuels	\$/gal	Revenue Development			YTD Actual			
CNG Price (Bus Diesel Equiv rti)	\$ 1.21				\$ 131,424			
Debt Service	Jan Actual	Jan-16	Var	%	YTD Actual	YTD 2016	Var	%
Debt Service (net mm)	\$ 8.96	\$ 8.85	\$ 0.11	1.3%	\$ 8.96	\$ 8.85	\$ 0.11	1.3%

UTA Ridership Trends



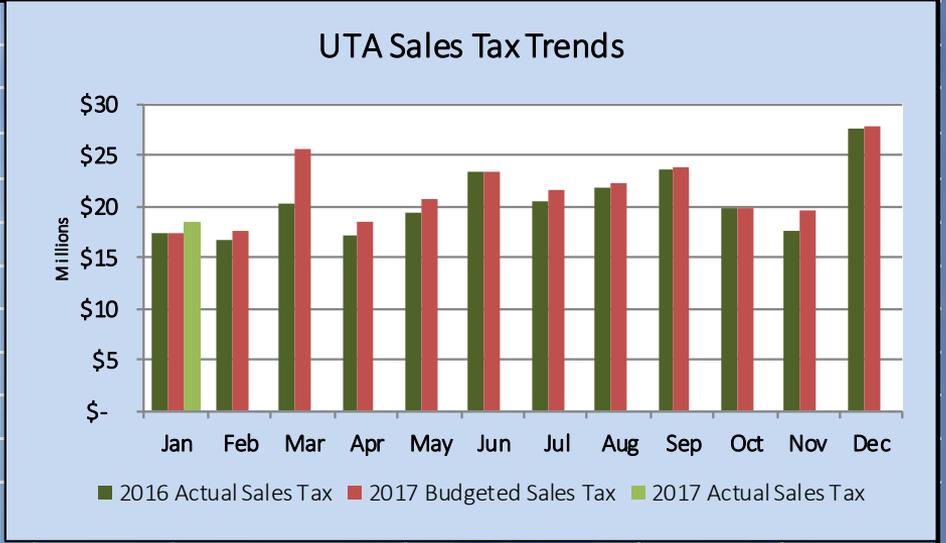
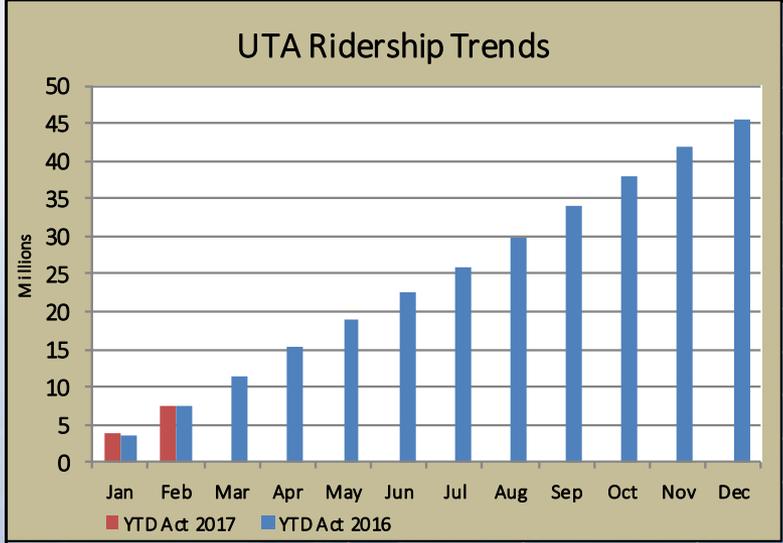
UTA Sales Tax Trends



UTA Board Dashboard:

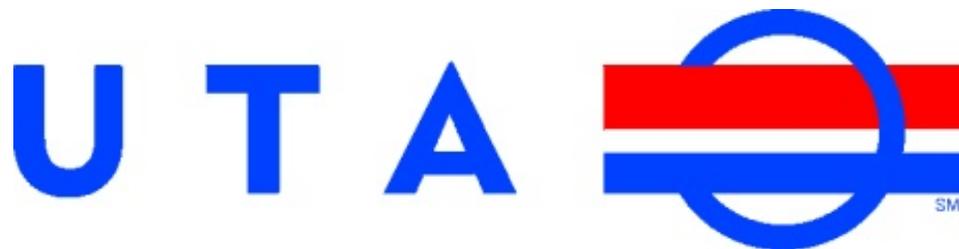
February 2017

Financial Metrics	Fav/				Fav/			
	Feb Actual	Feb Budget	(Unfav)	%	YTD Actual	YTD Budget	(Unfav)	%
Sales Tax (Jan '1 mm \$)	\$ 18.4	\$ 17.5	\$ 0.91	● 5.2%	\$ 18.4	\$ 17.5	\$ 0.91	● 5.2%
Fare Revenue (mm)	\$ 4.0	\$ 4.4	\$ (0.43)	● -9.6%	\$ 8.3	\$ 8.9	\$ (0.60)	● -6.7%
Operating Exp (mm)	\$ 20.0	\$ 22.4	\$ 2.34	● 10.5%	\$ 40.8	\$ 44.7	\$ 3.90	● 8.7%
Investment Per Rider (IPR)	\$ 4.43	\$ 4.50	\$ 0.07	● 1.6%	\$ 4.41	\$ 4.50	\$ 0.09	● 2.0%
IPR adj for fuel savings	\$ 4.54	\$ 4.50	\$ (0.04)	● -0.9%	\$ 4.54	\$ 4.50	\$ (0.04)	● -0.9%
UTA Diesel Price (\$/gal)	\$ 1.68	\$ 2.50	\$ 0.82	● 32.9%	\$ 1.62	\$ 2.50	\$ 0.88	● 35.4%
Operating Metrics	Feb Actual	Feb-16	F/(UF)	%	YTD Actual	YTD 2016	F/(UF)	%
Ridership (mm)	3.6	3.8	(0.2)	● -4.7%	7.4	7.5	(0.1)	● -1.5%
Alternative Fuels	\$/gal				YTD Actual			
CNG Price (Bus Diesel Equiv rt)	\$ 1.33	Revenue Development (mm)			\$ 4.54			
Debt Service	Feb Actual	Feb-16	Var	%	YTD Actual	YTD 2016	Var	%
Debt Service (net mm)	\$ 8.94	\$ 8.10	\$ 0.84	10.4%	\$ 17.89	\$ 16.20	\$ 1.70	10.5%



Utah Transit Authority
Financial Statement
(Unaudited)

December 31, 2016



KEY ITEM REPORT
(UNAUDITED)
As of December 31, 2016

EXHIBIT 1-1
As of 03/09/2017

	2016 YTD ACTUAL	2016 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Sales Tax	\$ 245,008,417	\$ 241,979,732	\$ 3,028,685	1%
2 Passenger Revenue	50,509,302	53,257,968	(2,748,666)	-5%
3 Other Revenue	69,963,652	67,287,704	2,675,948	4%
4 Total Revenue	365,481,371	362,525,404	2,955,967	1%
5 Net Operating Expenses	(240,053,509)	(254,890,153)	14,836,644	-6%
Net Operating Income (Loss)	125,427,861	107,635,251	17,792,610	17%
6 Debt Service	107,820,356	108,294,662	474,306	0%
7 Other Non-Operating Expenses	5,848,795	5,419,000	(429,795)	-8%
8 Sale of Assets	(420,424)	-	420,424	100%
9 Contribution to Capital Reserves	\$ 12,179,134	\$ (6,078,411)	\$ 18,257,545	-300%
10 Bond Debt Service - Series 2007A CAB	181,086			
11 Amortization	(6,363,403)			
12 Depreciation	153,573,215			
13 Total Non-cash Items	\$ 147,390,898			

2016 GOALS

RIDERSHIP				% YEAR ELAPSED	% of Goal ²	% FAVORABLE (UNFAVORABLE)	
2015 Actual ¹	2016 Goal	Current Month	YTD				
13 46,577,166	47,741,595	3,636,447	45,572,702	100.0%	95.5%	-4.5%	
REVENUE DEVELOPMENT				% YEAR ELAPSED	% of Goal	% FAVORABLE (UNFAVORABLE)	
	2016 Goal	YTD					
14 Federa/Local/Regional	\$ 15,200,000	\$ 10,161,767		100.0%	66.9%	-33.1%	
OPERATING INVESTMENT PER RIDER				Amount per Rider	Goal: Equal or Less than	% FAVORABLE (UNFAVORABLE)	
15	\$240,053,509	-	\$50,509,302				
	Net Operating Expense	-	Passenger Revenue				
16	<u>45,572,702</u>			=	\$4.16	\$4.23	2%
	Ridership						
17	\$240,053,509	-	\$50,509,302	+	\$10,292,838		
	Net Operating Expense	-	Passenger Revenue	+	Diesel Savings		
18	<u>45,572,702</u>			=	\$4.39	\$4.23	-4%
	Ridership						

SUMMARY FINANCIAL DATA
(UNAUDITED)

As of December 31, 2016

EXHIBIT 1-2

As of 03/09/2017

BALANCE SHEET

	12/31/2016	<i>Audited</i> 12/31/2015
CURRENT ASSETS		
1 Cash	\$ 5,230,614	\$ 9,662,486
2 Investments (Unrestricted)	89,388,049	103,390,197
3 Investments (Restricted)	82,302,237	90,068,490
4 Receivables	61,263,145	50,416,196
5 Receivables - Federal Grants	13,578,202	8,302,244
6 Inventories	28,361,639	21,871,283
7 Prepaid Expenses	2,403,001	2,510,506
8 TOTAL CURRENT ASSETS	\$ 282,526,887	\$ 286,221,402
9 Property, Plant & Equipment (Net)	3,132,338,215	3,233,649,204
10 Other Assets	127,879,132	149,552,337
11 TOTAL ASSETS	\$ 3,542,744,234	\$ 3,669,422,943
12 Current Liabilities	\$ 44,315,626	\$ 36,368,471
13 Other Liabilities	218,844,361	220,779,469
14 Net Pension Liability	112,925,121	117,437,871
15 Outstanding Bonds	2,091,344,474	2,085,672,069
16 Equity	1,075,314,652	1,209,165,063
17 TOTAL LIABILITIES & EQUITY	\$ 3,542,744,234	\$ 3,669,422,943

RESTRICTED CASH AND CASH EQUIVALENTS RECONCILIATION

RESTRICTED RESERVES		
18 Debt Service Reserves	42,854,616	42,440,996
19 2015A Sub Interest Reserves	4,485,328	13,455,983
20 Debt Service Interest Payable	4,410,547	6,809,682
21 Risk Contingency	7,430,604	7,360,300
22 Box Elder County ROW (sales tax)	5,253,907	4,586,647
23 Mountain Accord	263,096	1,889,650
24 Joint Insurance Trust	3,269,716	3,039,873
25 Amounts held in escrow	14,334,423	10,485,359
26 TOTAL RESTRICTED RESERVES	82,302,237	90,068,490
DESIGNATED OPERATING RESERVES		
27 Service Stabilization Reserve	12,543,246	12,084,930
28 Fuel Reserve	1,915,000	1,400,000
29 Parts Reserve	3,000,000	3,000,000
30 Operating Reserve	23,405,698	22,550,480
31 Early Debt Retirement Reserve	10,535,764	4,866,866
32 TOTAL DESIGNATED OPERATING RESERVES	51,399,708	43,902,276
35 TOTAL RESTRICTED CASH AND EQUIVALENTS	\$ 133,701,945	\$ 133,970,766

SUMMARY FINANCIAL DATA
(UNAUDITED)

As of December 31, 2016

EXHIBIT 1-3

As of 03/09/2017

REVENUE & EXPENSES

	ACTUAL Dec-16	ACTUAL Dec-15	YTD 2016	YTD 2015
REVENUE				
1 Passenger Revenue	\$ 4,101,945	\$ 4,358,299	\$ 50,509,302	\$ 52,112,909
2 Advertising Revenue	133,331	131,944	2,266,667	2,233,329
3 Investment Revenue	59,136	1,298,956	1,732,939	2,831,405
4 Sales Tax	26,093,618	25,835,704	238,584,981	227,703,024
5 Sales Tax - Prop 1	1,004,117		6,423,436	-
6 Other Revenue	224,424	(850,505)	2,630,709	2,671,934
7 Fed Operations/Preventative Maint.	12,224,709	1,319,475	63,333,337	50,003,658
8 TOTAL REVENUE	\$ 43,841,280	\$ 32,093,873	\$ 365,481,371	\$ 337,556,259
OPERATING EXPENSE				
9 Bus Service	\$ 7,720,862	\$ 7,088,064	\$ 82,461,794	\$ 77,461,075
10 Commuter Rail	2,097,014	1,806,596	20,910,945	20,558,295
11 Light Rail	3,487,115	1,874,006	31,692,371	30,861,437
12 Maintenance of Way	1,195,009	1,426,993	16,330,448	16,143,644
13 Paratransit Service	1,779,937	1,647,082	19,140,583	18,376,297
14 RideShare/Van Pool Services	863,724	113,827	2,796,108	1,763,420
15 Operations Support	3,386,727	3,656,659	38,222,249	34,598,880
16 Administration	3,736,044	2,947,525	28,499,011	27,703,639
17 TOTAL OPERATING EXPENSE	\$ 24,266,432	\$ 20,560,752	\$ 240,053,509	\$ 227,466,687
18 NET OPERATING INCOME (LOSS)	\$ 19,574,848	\$ 11,533,121	\$ 125,427,861	\$ 110,089,572
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 658,120	\$ 356,673	\$ 4,644,671	\$ 4,279,526
20 Major Investment Studies	396,155	(4,068)	1,398,572	658,399
21 Offsetting Investment Studies	169,215	(16,248)	(194,448)	(296,527)
22 Bond Principal	3,334,790	1,130,834	13,565,000	12,596,044
23 Bond Interest	7,032,125	6,817,330	82,230,443	77,105,632
24 Bond Funded Interest - 2015A Sub	747,552		8,970,655	-
25 Bond Cost of Issuance/Fees	242,853	18,600	1,021,936	2,563,869
26 Offsetting Bond Funds	-	-	-	-
27 Lease Cost	291,076	136,247	2,032,323	681,232
28 Sale of Assets	(48,135)	(634,663)	(420,424)	(5,642,128)
29 TOTAL NON-OPERATING EXPENSE	\$ 12,823,751	\$ 7,804,705	\$ 113,248,727	\$ 91,946,047
34 CONTRIBUTION TO CAPITAL RESERVES	\$ 6,751,097	\$ 3,728,416	\$ 12,179,134	\$ 18,143,525
OTHER EXPENSES (NON-CASH)				
35 Bond Debt Service - Series 2007A CAB	\$ 15,088	\$ 79,732	\$ 181,086	\$ 79,732
36 Bond Premium/Discount Amortization	(1,330,458)	(1,311,857)	(15,415,858)	(13,771,654)
37 Bond Refunding Cost Amortization	686,795	1,039,191	8,241,541	8,196,976
38 Future Revenue Cost Amortization	67,578	67,576	810,914	810,912
39 Depreciation	12,559,103	9,266,480	153,573,215	153,587,283
40 NET OTHER EXPENSES (NON-CASH)	\$ 11,998,106	\$ 9,141,122	\$ 147,390,898	\$ 148,903,249

CURRENT MONTH

	ACTUAL	BUDGET	VARIANCE	%
	Dec-16	Dec-16	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 4,101,945	\$ 4,485,578	\$ (383,633)	-9%
2 Advertising Revenue	133,331	190,250	(56,919)	-30%
3 Investment Revenue	59,136	186,400	(127,264)	-68%
4 Sales Tax	26,093,618	25,000,000	1,093,618	4%
5 Sales Tax - Prop 1	1,004,117	793,732	210,385	27%
6 Other Revenue	224,424	431,650	(207,226)	-48%
7 Fed Operations/Preventative Maint.	12,224,709	4,800,808	7,423,901	155%
8 TOTAL REVENUE	\$ 43,841,280	\$ 35,888,418	\$ 7,952,862	22%
OPERATING EXPENSE				
9 Bus Service	\$ 7,720,862	\$ 7,634,113	\$ (86,749)	-1%
10 Commuter Rail	2,097,014	1,975,895	(121,119)	-6%
11 Light Rail	3,487,115	2,858,804	(628,311)	-22%
12 Maintenance of Way	1,195,009	1,520,040	325,031	21%
13 Paratransit Service	1,779,937	1,754,911	(25,026)	-1%
14 RideShare/Van Pool Services	863,724	201,361	(662,363)	-329%
15 Operations Support	3,386,727	3,291,860	(94,867)	-3%
16 Administration	3,736,044	4,314,762	578,718	13%
17 TOTAL OPERATING EXPENSE	\$ 24,266,432	\$ 23,551,746	\$ (714,686)	-3%
18 NET OPERATING INCOME (LOSS)	\$ 19,574,848	\$ 12,336,672	\$ 7,238,176	59%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 658,120	\$ 381,601	\$ (276,519)	-72%
20 Major Investment Studies	396,155	70,857	(325,298)	-459%
21 Offsetting Investment Studies	169,215	-	(169,215)	
22 Bond Principal	3,334,790	1,130,833	(2,203,957)	-195%
23 Bond Interest	7,032,125	6,812,351	(219,774)	-3%
24 Bond Funded Interest - 2015A Sub	747,552	747,555	3	0%
25 Bond Cost of Issuance/Fees	242,853	-	(242,853)	
26 Offsetting Bond Funds	-	-	-	
27 Lease Cost	291,076	328,424	37,349	11%
28 Sale of Assets	(48,135)	-	48,135	
29 TOTAL NON-OPERATING EXPENSE	\$ 12,823,751	\$ 9,471,622	\$ (3,352,129)	-35%
30 CONTRIBUTION TO CAPITAL RESERVES	\$ 6,751,097	\$ 2,865,051	\$ 3,886,047	136%
OTHER EXPENSES (NON-CASH)				
31 Bond Debt Service - Series 2007A CAB	\$ 15,088			
32 Bond Premium/Discount Amortization	(1,330,458)			
33 Bond Refunding Cost Amortization	686,795			
34 Future Revenue Cost Amortization	67,578			
35 Depreciation	12,559,103			
36 NET OTHER EXPENSES (NON-CASH)	\$ 11,998,106			

BUDGET TO ACTUAL REPORT
(UNAUDITED)

As of December 31, 2016

EXHIBIT 1-5

As of 03/09/2017

YEAR TO DATE

	ACTUAL	BUDGET	VARIANCE	%
	Dec-16	Dec-16	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 50,509,302	\$ 53,257,968	\$ (2,748,666)	-5%
2 Advertising Revenue	2,266,667	2,283,000	(16,333)	-1%
3 Investment Revenue	1,732,939	2,237,000	(504,061)	-23%
4 Sales Tax	238,584,981	237,249,000	1,335,981	1%
5 Sales Tax - Prop 1	6,423,436	4,730,732	1,692,704	36%
6 Other Revenue	2,630,709	5,179,704	(2,548,995)	-49%
7 Fed Operations/Preventative Maint.	63,333,337	57,588,000	5,745,337	10%
8 TOTAL REVENUE	\$ 365,481,371	\$ 362,525,404	\$ 2,955,967	1%
OPERATING EXPENSE				
9 Bus Service	\$ 82,461,794	\$ 87,683,183	\$ 5,221,389	6%
10 Commuter Rail	20,910,945	23,408,217	2,497,272	11%
11 Light Rail	31,692,371	34,343,374	2,651,003	8%
12 Maintenance of Way	16,330,448	17,918,181	1,587,733	9%
13 Paratransit Service	19,140,583	20,851,218	1,710,635	8%
14 RideShare/Van Pool Services	2,796,108	2,416,343	(379,765)	-16%
15 Operations Support	38,222,249	39,317,298	1,095,049	3%
16 Administration	28,499,011	28,952,339	453,328	2%
17 TOTAL OPERATING EXPENSE	\$ 240,053,509	\$ 254,890,153	\$ 14,836,644	6%
18 NET OPERATING INCOME (LOSS)	\$ 125,427,861	\$ 107,635,251	\$ 17,792,610	17%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 4,644,671	\$ 4,569,000	\$ (75,671)	-2%
20 Major Investment Studies	1,398,572	850,000	(548,572)	-65%
21 Offsetting Investment Studies	(194,448)	-	194,448	
22 Bond Principal	13,565,000	13,570,000	5,000	0%
23 Bond Interest	82,230,443	81,748,210	(482,233)	-1%
24 Bond Funded Interest - 2015A Sub	8,970,655	8,970,660		
25 Bond Cost of Issuance/Fees	1,021,936	64,700	(957,236)	-1479%
26 Offsetting Bond Funds	-	-	-	
27 Lease Cost	2,032,323	3,941,092	1,908,769	48%
28 Sale of Assets	(420,424)	-	420,424	
29 TOTAL NON-OPERATING EXPENSE	\$ 113,248,727	\$ 113,713,662	\$ 464,935	0%
30 CONTRIBUTION TO CAPITAL RESERVES	\$ 12,179,134	\$ (6,078,411)	\$ 18,257,545	300%
OTHER EXPENSES (NON-CASH)				
31 Bond Debt Service - Series 2007A CAB	\$ 181,086			
32 Bond Premium/Discount Amortization	(15,415,858)			
33 Bond Refunding Cost Amortization	8,241,541			
34 Future Revenue Cost Amortization	810,914			
35 Depreciation	153,573,215			
36 NET OTHER EXPENSES (NON-CASH)	\$ 147,390,898			

CAPITAL PROJECTS
(UNAUDITED)
As of December 31, 2016

EXHIBIT 1-6
As of 03/09/2017

	2016 ACTUAL	ANNUAL BUDGET	PERCENT
1 REVENUE VEHICLES	\$ 4,252,786	\$ 14,428,904	29%
2 INFORMATION TECHNOLOGY	5,482,189	11,976,725	46%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	4,449,250	4,901,003	91%
4 CAPITAL PROJECTS	18,079,598	41,279,405	44%
5 PROVO-OREM BRT	20,574,713	106,000,000	19%
6 RAIL MAINTENANCE	1,861,171	1,952,573	95%
7 STATE OF GOOD REPAIR	15,509,917	21,527,386	72%
8 TOTAL	<u>\$ 70,209,624</u>	<u>\$ 202,065,996</u>	35%
SOURCE OF FUNDS TO PAY FOR CAPITAL PROJECTS			
9 CAPITAL GRANTS	\$ 17,054,298	\$ 56,178,370	30%
10 LOCAL MATCH INCLUDING FINANCING	53,155,326	145,887,626	36%
11 TOTAL	<u>\$ 70,209,624</u>	<u>\$ 202,065,996</u>	35%

Note: \$18.75m of Line 8 above expenses will be reclassified as operating expense in the Comprehensive Annual Financial Report (CAFR)

BY SERVICE

	CURRENT MONTH		YEAR TO DATE	
	Dec-16	Dec-15	2016	2015
UTA				
Fully Allocated Costs	24,266,432	20,560,753	240,053,511	227,466,687
Passenger Farebox Revenue	4,101,945	4,358,298	50,509,304	52,112,908
Passengers	3,636,447	3,884,859	45,572,702	46,577,166
Farebox Recovery Ratio	16.9%	21.2%	21.0%	22.9%
Actual Investment per Rider	\$5.55	\$4.17	\$4.16	\$3.76
GOAL Investment per Rider				
BUS SERVICE				
Fully Allocated Costs	11,694,505	11,154,950	119,108,656	112,077,699
Passenger Farebox Revenue	1,418,315	1,658,068	19,109,679	20,036,398
Passengers	1,470,120	1,555,840	19,592,282	19,943,587
Farebox Recovery Ratio	12.1%	14.9%	16.0%	17.9%
Actual Investment per Rider	\$6.99	\$6.10	\$5.10	\$4.62
LIGHT RAIL SERVICE				
Fully Allocated Costs	5,332,377	3,960,049	54,190,742	52,454,308
Passenger Farebox Revenue	1,507,347	1,459,573	18,383,486	19,518,185
Passengers	1,605,061	1,725,762	19,220,021	19,704,363
Farebox Recovery Ratio	28.3%	36.9%	33.9%	37.2%
Actual Investment per Rider	\$2.38	\$1.45	\$1.86	\$1.67
COMMUTER RAIL SERVICE				
Fully Allocated Costs	3,886,874	2,881,117	38,261,885	36,536,133
Passenger Farebox Revenue	583,635	562,655	5,630,984	5,842,624
Passengers	388,698	421,879	4,545,848	4,645,305
Farebox Recovery Ratio	15.0%	19.5%	14.7%	16.0%
Actual Investment per Rider	\$8.50	\$5.50	\$7.18	\$6.61
PARATRANSIT				
Fully Allocated Costs	2,380,727	2,325,000	24,586,445	23,561,007
Passenger Farebox Revenue	230,804	317,915	3,411,713	2,429,596
Passengers	63,990	69,434	868,788	860,239
Farebox Recovery Ratio	9.7%	13.7%	13.9%	10.3%
Actual Investment per Rider	\$33.60	\$28.91	\$24.37	\$24.56
RIDESHARE				
Fully Allocated Costs	971,950	239,636	3,905,782	2,837,540
Passenger Farebox Revenue	361,844	360,088	3,973,441	4,286,106
Passengers	108,578	111,945	1,345,763	1,423,672
Farebox Recovery Ratio	37.2%	150.3%	101.7%	151.1%
Actual Investment per Rider	\$5.62	(\$1.08)	(\$0.05)	(\$1.02)

FAREBOX RECOVERY & IPR
(UNAUDITED)
As of December 31, 2016

EXHIBIT 1-8
As of 03/09/2017

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Dec-16	Dec-15	2016	2015
FULLY ALLOCATED COSTS				
Bus Service	\$11,694,505	\$11,154,950	\$119,108,656	\$112,077,699
Light Rail Service	\$5,332,377	\$3,960,049	\$54,190,742	\$52,454,308
Commuter Rail Service	\$3,886,874	\$2,881,117	\$38,261,885	\$36,536,133
Paratransit	\$2,380,727	\$2,325,000	\$24,586,445	\$23,561,007
Rideshare	\$971,950	\$239,636	\$3,905,782	\$2,837,540
UTA	\$24,266,433	\$20,560,752	\$240,053,510	\$227,466,687
PASSENGER FAREBOX REVENUE				
Bus Service	\$1,418,315	\$1,658,068	\$19,109,679	\$20,036,398
Light Rail Service	\$1,507,347	\$1,459,573	\$18,383,486	\$19,518,185
Commuter Rail Service	\$583,635	\$562,655	\$5,630,984	\$5,842,624
Paratransit	\$230,804	\$317,915	\$3,411,713	\$2,429,596
Rideshare	\$361,844	\$360,088	\$3,973,441	\$4,286,106
UTA	\$4,101,945	\$4,358,299	\$50,509,303	\$52,112,909
PASSENGERS				
Bus Service	1,470,120	1,555,840	19,592,282	19,943,587
Light Rail Service	1,605,061	1,725,762	19,220,021	19,704,363
Commuter Rail Service	388,698	421,879	4,545,848	4,645,305
Paratransit	63,990	69,434	868,788	860,239
Rideshare	108,578	111,945	1,345,763	1,423,672
UTA	3,636,447	3,884,860	45,572,702	46,577,166
FAREBOX RECOVERY RATIO				
Bus Service	12.1%	14.9%	16.0%	17.9%
Light Rail Service	28.3%	36.9%	33.9%	37.2%
Commuter Rail Service	15.0%	19.5%	14.7%	16.0%
Paratransit	9.7%	13.7%	13.9%	10.3%
Rideshare	37.2%	150.3%	101.7%	151.1%
UTA	16.9%	21.2%	21.0%	22.9%
ACTUAL INVESTMENT PER RIDER				
Bus Service	\$6.99	\$6.10	\$5.10	\$4.62
Light Rail Service	\$2.38	\$1.45	\$1.86	\$1.67
Commuter Rail Service	\$8.50	\$5.50	\$7.18	\$6.61
Paratransit	\$33.60	\$28.91	\$24.37	\$24.56
Rideshare	\$5.62	(\$1.08)	(\$0.05)	(\$1.02)
UTA	\$5.55	\$4.17	\$4.16	\$3.76

SUMMARY OF ACCOUNTS RECEIVABLE
(UNAUDITED)

As of December 31, 2016

EXHIBIT 1-9

As of 03/09/2017

<u>Classification</u>	<u>Total</u>	<u>Current</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>Over 90 Days</u>
Federal Government ¹	\$ 365,660	\$ 365,660			
Local Contributions ²	45,646,697	45,646,114			583
Interlocal Agreements	2,396,740	2,151,286			245,454
Contracts	9,312,330	6,682,611	410,246	85,961	2,133,512
Other ³	6,417,474	6,417,474			
Total	\$ 64,138,901	\$ 61,263,145	\$ 410,246	\$ 85,961	\$ 2,379,549

Percentage Due by Aging

Federal Government ¹	100.0%	0.0%	0.0%	0.0%
Local Contributions ²	100.0%	0.0%	0.0%	0.0%
Contracts	71.8%	4.4%	0.9%	22.9%
Other	100.0%	0.0%	0.0%	0.0%
Total	95.5%	0.6%	0.1%	3.7%

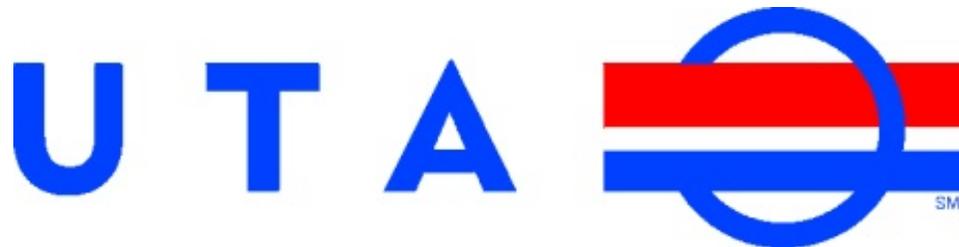
¹ Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

² Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

³ OCIP escrow, fuel tax credit, warranty parts out for repair

Utah Transit Authority
Financial Statement
(Unaudited)

January 31, 2017



KEY ITEM REPORT
(UNAUDITED)
As of January 31, 2017

EXHIBIT 1-1

	2017 YTD ACTUAL	2017 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Sales Tax	\$ 17,361,000	\$ 17,361,000	\$ -	0%
2 Passenger Revenue	4,260,300	4,431,073	(170,773)	-4%
3 Other Revenue	5,531,239	5,957,928	(426,689)	-7%
4 Total Revenue	27,152,539	27,750,001	(597,462)	-2%
5 Net Operating Expenses	(20,765,045)	(22,324,263)	1,559,218	-7%
Net Operating Income (Loss)	6,387,494	5,425,738	961,756	18%
6 Debt Service	8,957,932	8,779,581	(178,351)	-2%
7 Other Non-Operating Expenses	420,604	504,954	84,350	17%
8 Sale of Assets	(2,173,561)	-	2,173,561	100%
9 Contribution to Capital Reserves	\$ (817,481)	\$ (3,858,797)	\$ 3,041,316	-79%
10 Bond Debt Service - Series 2007A CAB	15,859			
11 Amortization	(568,488)			
12 Depreciation	12,560,000			
13 Total Non-cash Items	\$ 12,007,371			

2017 GOALS

RIDERSHIP				% YEAR ELAPSED	% of Goal ²	% FAVORABLE (UNFAVORABLE)
2016 Actual	2017 Goal	Current Month	YTD			
13 45,572,702	TBD	3,745,680	3,745,680	9.0%		
REVENUE DEVELOPMENT				% YEAR ELAPSED	% of Goal	% FAVORABLE (UNFAVORABLE)
	2017 Goal	YTD				
14 Federa/Local/Regional	TBD			9.0%		
OPERATING INVESTMENT PER RIDER				Amount per Rider	Goal: Equal or Less than	% FAVORABLE (UNFAVORABLE)
15	\$20,765,045	-	\$4,260,300			
	Net Operating Expense	-	Passenger Revenue			
16	=			\$4.41	\$4.50	2%
	3,745,680		Ridership			
17	\$20,765,045	-	\$4,260,300	+	\$528,777	
	Net Operating Expense	-	Passenger Revenue	+	Diesel Savings	
18	=			\$4.55	\$4.50	-1%
	3,745,680		Ridership			

SUMMARY FINANCIAL DATA
(UNAUDITED)

EXHIBIT 1-2

As of January 31, 2017

BALANCE SHEET

	1/31/2017	1/31/2016
CURRENT ASSETS		
1 Cash	\$ 12,206,011	\$ 20,559,492
2 Investments (Unrestricted)	11,894,823	34,917,173
3 Investments (Restricted)	197,612,088	145,866,408
4 Receivables	64,869,776	54,965,044
5 Receivables - Federal Grants	13,149,621	3,452,994
6 Inventories	28,723,386	21,534,253
7 Prepaid Expenses	2,745,919	2,679,113
8 TOTAL CURRENT ASSETS	\$ 331,201,624	\$ 283,974,477
9 Property, Plant & Equipment (Net)	3,120,731,721	3,202,421,737
10 Other Assets	127,199,309	24,484,563
11 TOTAL ASSETS	\$ 3,579,132,654	\$ 3,510,880,777
12 Current Liabilities	\$ 29,834,910	\$ 37,540,507
13 Other Liabilities	226,254,212	101,949,031
14 Net Pension Liability	112,925,121	117,437,871
15 Outstanding Bonds	2,131,842,896	2,085,672,069
16 Equity	1,078,275,515	1,168,281,299
17 TOTAL LIABILITIES & EQUITY	\$ 3,579,132,654	\$ 3,510,880,777

RESTRICTED CASH AND CASH EQUIVALENTS RECONCILIATION

RESTRICTED RESERVES		
18 Debt Service Reserves	\$ 41,915,679	\$ 43,245,863
19 2015A Sub Interest Reserves	3,737,773	8,970,655
20 Debt Service Interest Payable	12,137,549	14,788,024
21 Risk Contingency	7,438,055	7,364,964
22 Box Elder County ROW (sales tax)	5,459,173	4,641,669
23 Mountain Accord	263,088	1,884,632
24 Joint Insurance Trust	3,260,423	3,085,505
25 UT County Bond Proceeds	55,600,825	-
26 Amounts held in escrow	9,253,022	10,485,388
27 TOTAL RESTRICTED RESERVES	\$ 139,065,587	\$ 94,466,700
DESIGNATED OPERATING RESERVES		
28 Service Stabilization Reserve	\$ 13,525,550	\$ 12,543,246
29 Fuel Reserve	1,915,000	1,915,000
30 Parts Reserve	3,000,000	3,000,000
31 Operating Reserve	25,247,693	23,405,698
32 Early Debt Retirement Reserve	14,858,258	10,535,764
33 TOTAL DESIGNATED OPERATING RESERVES	\$ 58,546,501	\$ 51,399,708
35 TOTAL RESTRICTED CASH AND EQUIVALENTS	\$ 197,612,088	\$ 145,866,408

SUMMARY FINANCIAL DATA
(UNAUDITED)

EXHIBIT 1-3

As of January 31, 2017

REVENUE & EXPENSES

	ACTUAL Jan-17	ACTUAL Jan-16	YTD 2017	YTD 2016
REVENUE				
1 Passenger Revenue	\$ 4,260,300	\$ 4,479,809	\$ 4,260,300	\$ 4,479,809
2 Advertising Revenue	195,833	185,417	195,833	185,417
3 Investment Revenue	184,215	554,695	184,215	554,695
4 Sales Tax	16,779,000	17,300,000	16,779,000	17,300,000
5 Sales Tax - Prop 1	582,000	-	582,000	-
6 Other Revenue	247,836	260,303	247,836	260,303
7 Fed Operations/Preventative Maint.	4,903,355	4,484,314	4,903,355	4,484,314
8 TOTAL REVENUE	\$ 27,152,539	\$ 27,264,538	\$ 27,152,539	\$ 27,264,538
OPERATING EXPENSE				
9 Bus Service	\$ 7,347,597	\$ 6,520,058	\$ 7,347,597	\$ 6,520,058
10 Commuter Rail	1,591,307	1,626,683	1,591,307	1,626,683
11 Light Rail	2,858,034	3,014,736	2,858,034	3,014,736
12 Maintenance of Way	1,338,411	1,445,933	1,338,411	1,445,933
13 Paratransit Service	1,639,715	1,469,898	1,639,715	1,469,898
14 RideShare/Van Pool Services	211,743	168,647	211,743	168,647
15 Operations Support	3,650,015	3,073,777	3,650,015	3,073,777
16 Administration	2,128,223	2,111,507	2,128,223	2,111,507
17 TOTAL OPERATING EXPENSE	\$ 20,765,045	\$ 19,431,239	\$ 20,765,045	\$ 19,431,239
18 NET OPERATING INCOME (LOSS)	\$ 6,387,494	\$ 7,833,299	\$ 6,387,494	\$ 7,833,299
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 420,604	\$ 378,067	\$ 420,604	\$ 378,067
20 Major Investment Studies	-	8,450	-	8,450
21 Offsetting Investment Studies	-	-	-	-
22 Bond Principal	729,167	1,130,833	729,167	1,130,833
23 Bond Interest	7,585,787	6,830,711	7,585,787	6,830,711
24 Bond Funded Interest - 2015A Sub	373,777	747,555	373,777	747,555
25 Bond Cost of Issuance/Fees	500	-	500	-
26 Offsetting Bond Funds	-	-	-	-
27 Lease Cost	268,701	136,246	268,701	136,246
28 Sale of Assets	(2,173,561)	5,511	(2,173,561)	5,511
29 TOTAL NON-OPERATING EXPENSE	\$ 7,204,975	\$ 9,237,373	\$ 7,204,975	\$ 9,237,373
34 CONTRIBUTION TO CAPITAL RESERVES	\$ (817,481)	\$ (1,404,074)	\$ (817,481)	\$ (1,404,074)
OTHER EXPENSES (NON-CASH)				
35 Bond Debt Service - Series 2007A CAB	\$ 15,859	\$ -	\$ 15,859	\$ -
36 Bond Premium/Discount Amortization	(1,321,256)	(1,293,967)	(1,321,256)	(1,293,967)
37 Bond Refunding Cost Amortization	685,192	803,355	685,192	803,355
38 Future Revenue Cost Amortization	67,576	67,576	67,576	67,576
39 Depreciation	12,560,000	12,950,904	12,560,000	12,950,904
40 NET OTHER EXPENSES (NON-CASH)	\$ 12,007,371	\$ 12,527,868	\$ 12,007,371	\$ 12,527,868

ACTUAL REPORT
(UNAUDITED)
As of January 31, 2017

EXHIBIT 1-4

CURRENT MONTH

	ACTUAL	BUDGET	VARIANCE	%
	Jan-17	Jan-17	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 4,260,300	\$ 4,431,073	\$ (170,773)	-4%
2 Advertising Revenue	195,833	194,409	1,424	1%
3 Investment Revenue	184,215	174,826	9,389	5%
4 Sales Tax	16,779,000	16,779,000	-	0%
5 Sales Tax - Prop 1	582,000	582,000	-	0%
6 Other Revenue	247,836	532,562	(284,726)	-53%
7 Fed Operations/Preventative Maint.	4,903,355	5,056,131	(152,776)	-3%
8 TOTAL REVENUE	\$ 27,152,539	\$ 27,750,001	\$ (597,462)	-2%
OPERATING EXPENSE				
9 Bus Service	\$ 7,347,597	\$ 7,616,301	\$ 268,704	4%
10 Commuter Rail	1,591,307	1,928,674	337,367	17%
11 Light Rail	2,858,034	3,174,463	316,429	10%
12 Maintenance of Way	1,338,411	1,519,306	180,895	12%
13 Paratransit Service	1,639,715	1,810,704	170,989	9%
14 RideShare/Van Pool Services	211,743	214,620	2,877	1%
15 Operations Support	3,650,015	3,510,633	(139,382)	-4%
16 Administration	2,128,223	2,549,562	421,339	17%
17 TOTAL OPERATING EXPENSE	\$ 20,765,045	\$ 22,324,263	\$ 1,559,218	7%
18 NET OPERATING INCOME (LOSS)	\$ 6,387,494	\$ 5,425,738	\$ 961,756	18%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 420,604	\$ 504,954	\$ 84,350	17%
20 Major Investment Studies	-	-	-	0%
21 Offsetting Investment Studies	-	-	-	0%
22 Bond Principal	729,167	729,138	(29)	0%
23 Bond Interest	7,585,787	7,344,779	(241,008)	-3%
24 Bond Funded Interest - 2015A Sub	373,777	374,000	223	0%
25 Bond Cost of Issuance/Fees	500	5,000	4,500	90%
26 Offsetting Bond Funds	-	-	-	0%
27 Lease Cost	268,701	326,664	57,963	18%
28 Sale of Assets	(2,173,561)	-	2,173,561	100%
29 TOTAL NON-OPERATING EXPENSE	\$ 7,204,975	\$ 9,284,535	\$ 2,079,560	22%
30 CONTRIBUTION TO CAPITAL RESERVES	\$ (817,481)	\$ (3,858,797)	\$ 3,041,316	79%
OTHER EXPENSES (NON-CASH)				
31 Bond Debt Service - Series 2007A CAB	\$ 15,859			
32 Bond Premium/Discount Amortization	(1,321,256)			
33 Bond Refunding Cost Amortization	685,192			
34 Future Revenue Cost Amortization	67,576			
35 Depreciation	12,560,000			
36 NET OTHER EXPENSES (NON-CASH)	\$ 12,007,371			

BUDGET TO ACTUAL REPORT
(UNAUDITED)

EXHIBIT 1-5

As of January 31, 2017

YEAR TO DATE

	ACTUAL	BUDGET	VARIANCE	%
	Jan-17	Jan-17	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 4,260,300	\$ 4,431,073	\$ (170,773)	-4%
2 Advertising Revenue	195,833	194,409	1,424	1%
3 Investment Revenue	184,215	174,826	9,389	5%
4 Sales Tax	16,779,000	16,779,000	-	0%
5 Sales Tax - Prop 1	582,000	582,000	-	0%
6 Other Revenue	247,836	532,562	(284,726)	-53%
7 Fed Operations/Preventative Maint.	4,903,355	5,056,131	(152,776)	-3%
8 TOTAL REVENUE	\$ 27,152,539	\$ 27,750,001	\$ (597,462)	-2%
OPERATING EXPENSE				
9 Bus Service	\$ 7,347,597	\$ 7,616,301	\$ 268,704	4%
10 Commuter Rail	1,591,307	1,928,674	337,367	17%
11 Light Rail	2,858,034	3,174,463	316,429	10%
12 Maintenance of Way	1,338,411	1,519,306	180,895	12%
13 Paratransit Service	1,639,715	1,810,704	170,989	9%
14 RideShare/Van Pool Services	211,743	214,620	2,877	1%
15 Operations Support	3,650,015	3,510,633	(139,382)	-4%
16 Administration	2,128,223	2,549,562	421,339	17%
17 TOTAL OPERATING EXPENSE	\$ 20,765,045	\$ 22,324,263	\$ 1,559,218	7%
18 NET OPERATING INCOME (LOSS)	\$ 6,387,494	\$ 5,425,738	\$ 961,756	18%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 420,604	\$ 504,954	\$ 84,350	17%
20 Major Investment Studies	-	-	-	0%
21 Offsetting Investment Studies	-	-	-	0%
22 Bond Principal	729,167	729,138	(29)	0%
23 Bond Interest	7,585,787	7,344,779	(241,008)	-3%
24 Bond Funded Interest - 2015A Sub	373,777	374,000	223	0%
25 Bond Cost of Issuance/Fees	500	5,000	4,500	90%
26 Offsetting Bond Funds	-	-	-	0%
27 Lease Cost	268,701	326,664	57,963	18%
28 Sale of Assets	(2,173,561)	-	2,173,561	100%
29 TOTAL NON-OPERATING EXPENSE	\$ 7,204,975	\$ 9,284,535	\$ 2,079,560	22%
30 CONTRIBUTION TO CAPITAL RESERVES	\$ (817,481)	\$ (3,858,797)	\$ 3,041,316	79%
OTHER EXPENSES (NON-CASH)				
31 Bond Debt Service - Series 2007A CAB	\$ 15,859			
32 Bond Premium/Discount Amortization	(1,321,256)			
33 Bond Refunding Cost Amortization	685,192			
34 Future Revenue Cost Amortization	67,576			
35 Depreciation	12,560,000			
36 NET OTHER EXPENSES (NON-CASH)	\$ 12,007,371			

CAPITAL PROJECTS
(UNAUDITED)
As of January 31, 2017

EXHIBIT 1-6

	2017 ACTUAL	ANNUAL BUDGET	PERCENT
1 REVENUE VEHICLES	\$ 92,491	\$ 42,397,425	0.22%
2 INFORMATION TECHNOLOGY	195,406	13,081,067	1.49%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	139,561	2,348,278	5.94%
4 CAPITAL PROJECTS	(50,363)	36,243,448	-0.14%
5 PROVO OREM BRT	365,866	120,308,000	0.30%
6 RAIL MAINTENANCE	1,012	2,079,036	0.05%
7 STATE OF GOOD REPAIR	11,570	25,675,658	0.05%
8 PROP 1 PROJECTS	5,511	11,220,638	0.05%
9 5310 GRANTS	5,756	1,834,229	0.31%
10 TOTAL	<u>\$ 766,810</u>	<u>\$ 255,187,779</u>	0.30%
 SOURCE OF FUNDS TO PAY FOR CAPITAL PROJECTS			
9 CAPITAL GRANTS	\$ 229,848	\$ 82,314,943	0.28%
10 LOCAL MATCH INCLUDING FINANCING	536,962	172,872,836	0.31%
11 TOTAL	<u>\$ 766,810</u>	<u>\$ 255,187,779</u>	0.30%

As of January 31, 2017

BY SERVICE

	CURRENT MONTH		YEAR TO DATE	
	Jan-17	Jan-16	2017	2016
UTA				
Fully Allocated Costs	20,765,044	19,431,170	20,765,046	19,431,169
Passenger Farebox Revenue	4,260,298	4,479,807	4,260,299	4,479,807
Passengers	3,745,680	3,682,643	3,745,680	3,682,644
Farebox Recovery Ratio	20.5%	23.1%	20.5%	23.1%
Actual Investment per Rider	\$4.41	\$4.06	\$4.41	\$4.06
GOAL Investment per Rider				
BUS SERVICE				
Fully Allocated Costs	10,514,650	9,359,282	10,514,650	9,359,282
Passenger Farebox Revenue	1,666,621	1,867,450	1,666,621	1,867,450
Passengers	1,625,628	1,637,956	1,625,628	1,637,956
Farebox Recovery Ratio	15.9%	20.0%	15.9%	20.0%
Actual Investment per Rider	\$5.44	\$4.57	\$5.44	\$4.57
LIGHT RAIL SERVICE				
Fully Allocated Costs	5,065,822	5,498,937	5,065,822	5,498,937
Passenger Farebox Revenue	1,313,247	1,590,912	1,313,247	1,590,912
Passengers	1,534,360	1,489,483	1,534,360	1,489,483
Farebox Recovery Ratio	25.9%	28.9%	25.9%	28.9%
Actual Investment per Rider	\$2.45	\$2.62	\$2.45	\$2.62
COMMUTER RAIL SERVICE				
Fully Allocated Costs	2,766,191	2,424,999	2,766,191	2,424,999
Passenger Farebox Revenue	459,152	465,839	459,152	465,839
Passengers	401,271	358,784	401,271	358,784
Farebox Recovery Ratio	16.6%	19.2%	16.6%	19.2%
Actual Investment per Rider	\$5.75	\$5.46	\$5.75	\$5.46
PARATRANSIT				
Fully Allocated Costs	2,111,235	1,893,714	2,111,235	1,893,714
Passenger Farebox Revenue	485,060	200,906	485,060	200,906
Passengers	71,118	71,132	71,118	71,132
Farebox Recovery Ratio	23.0%	10.6%	23.0%	10.6%
Actual Investment per Rider	\$22.87	\$23.80	\$22.87	\$23.80
RIDESHARE				
Fully Allocated Costs	307,147	254,237	307,147	254,237
Passenger Farebox Revenue	336,218	354,701	336,218	354,701
Passengers	113,303	125,289	113,303	125,289
Farebox Recovery Ratio	109.5%	139.5%	109.5%	139.5%
Actual Investment per Rider	(\$0.26)	(\$0.80)	(\$0.26)	(\$0.80)

(UNAUDITED)

As of January 31, 2017

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Jan-17	Jan-16	2017	2016
FULLY ALLOCATED COSTS				
Bus Service	\$10,514,650	\$9,359,282	\$10,514,650	\$9,359,282
Light Rail Service	\$5,065,822	\$5,498,937	\$5,065,822	\$5,498,937
Commuter Rail Service	\$2,766,191	\$2,424,999	\$2,766,191	\$2,424,999
Paratransit	\$2,111,235	\$1,893,714	\$2,111,235	\$1,893,714
Rideshare	\$307,147	\$254,237	\$307,147	\$254,237
UTA	\$20,765,045	\$19,431,169	\$20,765,045	\$19,431,169
PASSENGER FAREBOX REVENUE				
Bus Service	\$1,666,621	\$1,867,450	\$1,666,621	\$1,867,450
Light Rail Service	\$1,313,247	\$1,590,912	\$1,313,247	\$1,590,912
Commuter Rail Service	\$459,152	\$465,839	\$459,152	\$465,839
Paratransit	\$485,060	\$200,906	\$485,060	\$200,906
Rideshare	\$336,218	\$354,701	\$336,218	\$354,701
UTA	\$4,260,298	\$4,479,808	\$4,260,298	\$4,479,808
PASSENGERS				
Bus Service	1,625,628	1,637,956	1,625,628	1,637,956
Light Rail Service	1,534,360	1,489,483	1,534,360	1,489,483
Commuter Rail Service	401,271	358,784	401,271	358,784
Paratransit	71,118	71,132	71,118	71,132
Rideshare	113,303	125,289	113,303	125,289
UTA	3,745,680	3,682,644	3,745,680	3,682,644
FAREBOX RECOVERY RATIO				
Bus Service	15.9%	20.0%	15.9%	20.0%
Light Rail Service	25.9%	28.9%	25.9%	28.9%
Commuter Rail Service	16.6%	19.2%	16.6%	19.2%
Paratransit	23.0%	10.6%	23.0%	10.6%
Rideshare	109.5%	139.5%	109.5%	139.5%
UTA	20.5%	23.1%	20.5%	23.1%
ACTUAL INVESTMENT PER RIDER				
Bus Service	\$5.44	\$4.57	\$5.44	\$4.57
Light Rail Service	\$2.45	\$2.62	\$2.45	\$2.62
Commuter Rail Service	\$5.75	\$5.46	\$5.75	\$5.46
Paratransit	\$22.87	\$23.80	\$22.87	\$23.80
Rideshare	(\$0.26)	(\$0.80)	(\$0.26)	(\$0.80)
UTA	\$4.41	\$4.06	\$4.41	\$4.06

SUMMARY OF ACCOUNTS RECEIVABLE
(UNAUDITED)

As of January 31, 2017

EXHIBIT 1-9

0

<u>Classification</u>	<u>Total</u>	<u>Current</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>Over 90 Days</u>
Federal Government ¹	\$ 14,399,725	\$ 14,399,725			
Local Contributions ²	43,371,445	43,370,862			583
Interlocal Agreements	1,581,025	3,750	1,294,008		283,267
Contracts	9,592,557	3,372,438	5,383,309	103,928	732,882
Other ³	9,074,641	9,074,641			
Total	\$ 78,019,393	\$ 70,221,416	\$ 6,677,317	\$ 103,928	\$ 1,016,732

Percentage Due by Aging

Federal Government ¹	100.0%	0.0%	0.0%	0.0%
Local Contributions ²	100.0%	0.0%	0.0%	0.0%
Contracts	35.2%	56.1%	1.1%	7.6%
Other	100.0%	0.0%	0.0%	0.0%
Total	90.0%	8.6%	0.1%	1.3%

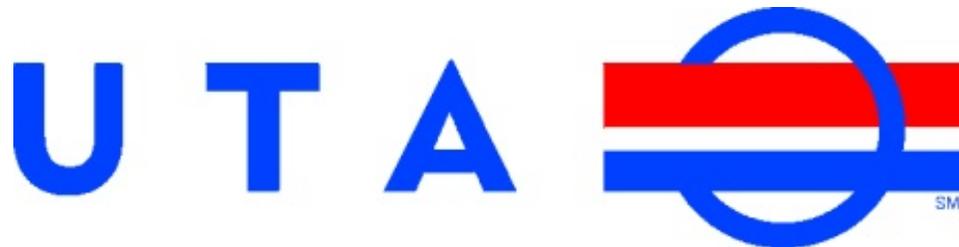
¹ Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

² Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

³ OCIP escrow, fuel tax credit, warranty parts out for repair

Utah Transit Authority
Financial Statement
(Unaudited)

February 28, 2017



KEY ITEM REPORT
(UNAUDITED)
As of February 28, 2017

EXHIBIT 1-1

	2017 YTD ACTUAL	2017 YTD BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	% FAVORABLE (UNFAVORABLE)
1 Sales Tax	\$ 34,889,000	\$ 34,889,000	\$ -	0%
2 Passenger Revenue	8,265,483	8,862,146	(596,663)	-7%
3 Other Revenue	10,295,620	11,915,856	(1,620,236)	-14%
4 Total Revenue	53,450,103	55,667,002	(2,216,899)	-4%
5 Net Operating Expenses	(40,799,260)	(44,697,863)	3,898,603	-9%
Net Operating Income (Loss)	12,650,843	10,969,139	1,681,704	15%
6 Debt Service	17,894,012	17,559,162	(334,850)	-2%
7 Other Non-Operating Expenses	765,978	1,009,908	243,930	24%
8 Sale of Assets	(2,168,537)	-	2,168,537	100%
9 Contribution to Capital Reserves	\$ (3,840,609)	\$ (7,599,931)	\$ 3,759,322	49%
10 Bond Debt Service - Series 2007A CAB	31,718			
11 Amortization	(1,136,977)			
12 Depreciation	25,120,000			
13 Total Non-cash Items	\$ 24,014,741			

2017 GOALS

RIDERSHIP				% YEAR ELAPSED	% of Goal ²	% FAVORABLE (UNFAVORABLE)
2016 Actual	2017 Goal	Current Month	YTD			
13 45,572,702	TBD	3,624,835	7,370,515	17.0%		
REVENUE DEVELOPMENT				% YEAR ELAPSED	% of Goal	% FAVORABLE (UNFAVORABLE)
	2017 Goal	YTD				
14 Federa/Local/Regional	TBD			17.0%		
OPERATING INVESTMENT PER RIDER				Amount per Rider	Goal: Equal or Less than	% FAVORABLE (UNFAVORABLE)
15 \$40,799,260	-	\$8,265,483				
Net Operating Expense	-	Passenger Revenue				
16	7,370,515		=	\$4.41	\$4.50	
	Ridership					
17 \$40,799,260	-	\$8,265,483	+	\$933,824		
Net Operating Expense	-	Passenger Revenue	+	Diesel Savings		
18	7,370,515		=	\$4.54	\$4.50	
	Ridership					

SUMMARY FINANCIAL DATA
(UNAUDITED)

EXHIBIT 1-2

As of February 28, 2017

BALANCE SHEET

	<u>2/28/2017</u>	<u>2/28/2016</u>
CURRENT ASSETS		
1 Cash	\$ 9,903,231	\$ 19,456,789
2 Investments (Unrestricted)	20,312,237	22,736,813
3 Investments (Restricted)	197,993,159	158,364,959
4 Receivables	51,760,413	53,752,012
5 Receivables - Federal Grants	11,067,563	2,663,215
6 Inventories	29,313,723	21,644,796
7 Prepaid Expenses	2,885,011	2,442,106
8 TOTAL CURRENT ASSETS	\$ 323,235,337	\$ 281,060,690
9 Property, Plant & Equipment (Net)	3,108,171,721	3,210,745,243
10 Other Assets	126,519,486	24,416,987
11 TOTAL ASSETS	\$ 3,557,926,544	\$ 3,516,222,920
12 Current Liabilities	\$ 28,225,578	\$ 29,171,069
13 Other Liabilities	231,360,777	110,000,715
14 Net Pension Liability	112,925,121	117,437,871
15 Outstanding Bonds	2,126,802,972	2,085,672,069
16 Equity	1,058,612,096	1,173,941,196
17 TOTAL LIABILITIES & EQUITY	\$ 3,557,926,544	\$ 3,516,222,920

RESTRICTED CASH AND CASH EQUIVALENTS RECONCILIATION

RESTRICTED RESERVES		
18 Debt Service Reserves	\$ 42,924,874	\$ 43,265,347
19 2015A Sub Interest Reserves	2,990,218	13,716,099
20 Debt Service Interest Payable	17,899,659	22,758,450
21 Risk Contingency	7,444,906	7,369,525
22 Box Elder County ROW (sales tax)	5,459,173	4,832,378
23 Mountain Accord	250,718	1,558,903
24 Joint Insurance Trust	3,256,602	2,979,152
25 UT County Bond Proceeds	49,967,498	-
26 Amounts held in escrow	9,253,010	10,485,397
27 TOTAL RESTRICTED RESERVES	\$ 139,446,658	\$ 106,965,251
DESIGNATED OPERATING RESERVES		
28 Service Stabilization Reserve	\$ 13,525,550	\$ 12,543,246
29 Fuel Reserve	1,915,000	1,915,000
30 Parts Reserve	3,000,000	3,000,000
31 Operating Reserve	25,247,693	23,405,698
32 Early Debt Retirement Reserve	14,858,258	10,535,764
33 TOTAL DESIGNATED OPERATING RESERVES	\$ 58,546,501	\$ 51,399,708
35 TOTAL RESTRICTED CASH AND EQUIVALENTS	\$ 197,993,159	\$ 158,364,959

SUMMARY FINANCIAL DATA
(UNAUDITED)

EXHIBIT 1-3

As of February 28, 2017

REVENUE & EXPENSES

	ACTUAL Feb-17	ACTUAL Feb-16	YTD 2017	YTD 2016
REVENUE				
1 Passenger Revenue	\$ 4,005,183	\$ 4,230,380	\$ 8,265,483	\$ 8,710,189
2 Advertising Revenue	195,833	185,417	391,666	370,834
3 Investment Revenue	139,177	92,568	323,392	647,263
4 Sales Tax	16,937,000	16,656,000	33,716,000	33,956,000
5 Sales Tax - Prop 1	591,000	-	1,173,000	-
6 Other Revenue	293,361	256,526	541,197	516,829
7 Fed Operations/Preventative Maint.	4,136,010	4,476,821	9,039,365	8,961,135
8 TOTAL REVENUE	\$ 26,297,564	\$ 25,897,712	\$ 53,450,103	\$ 53,162,250
OPERATING EXPENSE				
9 Bus Service	\$ 6,894,012	\$ 6,385,298	\$ 14,241,609	\$ 12,905,356
10 Commuter Rail	1,892,921	1,518,584	3,484,228	3,145,267
11 Light Rail	2,427,897	2,631,276	5,285,931	5,646,012
12 Maintenance of Way	1,339,145	1,321,100	2,677,556	2,767,033
13 Paratransit Service	1,570,102	1,496,143	3,209,817	2,966,041
14 RideShare/Van Pool Services	215,211	122,970	426,954	291,617
15 Operations Support	3,575,515	3,365,259	7,225,530	6,439,036
16 Administration	2,119,412	2,049,655	4,247,635	4,161,162
17 TOTAL OPERATING EXPENSE	\$ 20,034,215	\$ 18,890,285	\$ 40,799,260	\$ 38,321,524
18 NET OPERATING INCOME (LOSS)	\$ 6,263,349	\$ 7,007,427	\$ 12,650,843	\$ 14,840,726
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 345,374	\$ 304,450	\$ 765,978	\$ 682,517
20 Major Investment Studies	-	67,766	-	76,216
21 Offsetting Investment Studies	-	-	-	-
22 Bond Principal	729,167	1,130,834	1,458,334	2,261,667
23 Bond Interest	7,585,787	6,830,711	15,171,574	13,661,422
24 Bond Funded Interest - 2015A Sub	373,777	-	747,555	-
25 Bond Cost of Issuance/Fees	-	-	500	-
26 Offsetting Bond Funds	-	-	-	-
27 Lease Cost	247,348	136,247	516,049	272,493
28 Sale of Assets	5,024	(228)	(2,168,537)	5,283
29 TOTAL NON-OPERATING EXPENSE	\$ 9,286,477	\$ 8,469,780	\$ 16,491,452	\$ 16,959,598
34 CONTRIBUTION TO CAPITAL RESERVES	\$ (3,023,128)	\$ (1,462,353)	\$ (3,840,609)	\$ (2,118,872)
OTHER EXPENSES (NON-CASH)				
35 Bond Debt Service - Series 2007A CAB	\$ 15,859	\$ -	\$ 31,718	\$ -
36 Bond Premium/Discount Amortization	(1,321,256)	(1,293,967)	(2,642,513)	(2,587,934)
37 Bond Refunding Cost Amortization	685,192	803,355	1,370,384	1,606,710
38 Future Revenue Cost Amortization	67,576	67,576	135,152	135,152
39 Depreciation	12,560,000	12,938,095	25,120,000	25,888,999
40 NET OTHER EXPENSES (NON-CASH)	\$ 12,007,371	\$ 12,515,059	\$ 24,014,741	\$ 25,042,927

ACTUAL REPORT
(UNAUDITED)
As of February 28, 2017

EXHIBIT 1-4

CURRENT MONTH

			VARIANCE	%	
	ACTUAL	BUDGET	FAVORABLE	FAVORABLE	
	Feb-17	Feb-17	(UNFAVORABLE)	(UNFAVORABLE)	
REVENUE					
1	Passenger Revenue	\$ 4,005,183	\$ 4,431,073	\$ (425,890)	-10%
2	Advertising Revenue	195,833	194,409	1,424	1%
3	Investment Revenue	139,177	174,826	(35,649)	-20%
4	Sales Tax	16,937,000	16,937,000	-	0%
5	Sales Tax - Prop 1	591,000	591,000	-	0%
6	Other Revenue	293,361	532,562	(239,201)	-45%
7	Fed Operations/Preventative Maint.	4,136,010	5,056,131	(920,121)	-18%
8	TOTAL REVENUE	\$ 26,297,564	\$ 27,917,001	\$ (1,619,437)	-6%
OPERATING EXPENSE					
9	Bus Service	\$ 6,894,012	\$ 7,534,482	\$ 640,470	9%
10	Commuter Rail	1,892,921	1,934,654	41,733	2%
11	Light Rail	2,427,897	3,172,900	745,003	23%
12	Maintenance of Way	1,339,145	1,496,701	157,556	11%
13	Paratransit Service	1,570,102	1,810,704	240,602	13%
14	RideShare/Van Pool Services	215,211	214,620	(591)	0%
15	Operations Support	3,575,515	3,469,977	(105,538)	-3%
16	Administration	2,119,412	2,739,562	620,150	23%
17	TOTAL OPERATING EXPENSE	\$ 20,034,215	\$ 22,373,600	\$ 2,339,385	10%
18	NET OPERATING INCOME (LOSS)	\$ 6,263,349	\$ 5,543,401	\$ 719,948	13%
NON-OPERATING EXPENSE (REVENUE)					
19	Planning & Development	\$ 345,374	\$ 504,954	\$ 159,580	32%
20	Major Investment Studies	-	-	-	0%
21	Offsetting Investment Studies	-	-	-	0%
22	Bond Principal	729,167	729,138	(29)	0%
23	Bond Interest	7,585,787	7,344,779	(241,008)	-3%
24	Bond Funded Interest - 2015A Sub	373,777	374,000	223	0%
25	Bond Cost of Issuance/Fees	-	5,000	5,000	100%
26	Offsetting Bond Funds	-	-	-	0%
27	Lease Cost	247,348	326,664	79,316	24%
28	Sale of Assets	5,024	-	(5,024)	100%
29	TOTAL NON-OPERATING EXPENSE	\$ 9,286,477	\$ 9,284,535	\$ (1,942)	0%
30	CONTRIBUTION TO CAPITAL RESERVES	\$ (3,023,128)	\$ (3,741,134)	\$ 718,006	19%
OTHER EXPENSES (NON-CASH)					
31	Bond Debt Service - Series 2007A CAB	\$ 15,859			
32	Bond Premium/Discount Amortization	(1,321,256)			
33	Bond Refunding Cost Amortization	685,192			
34	Future Revenue Cost Amortization	67,576			
35	Depreciation	12,560,000			
36	NET OTHER EXPENSES (NON-CASH)	\$ 12,007,371			

BUDGET TO ACTUAL REPORT
(UNAUDITED)

EXHIBIT 1-5

As of February 28, 2017

YEAR TO DATE

	ACTUAL	BUDGET	VARIANCE	%
	Feb-17	Feb-17	FAVORABLE (UNFAVORABLE)	FAVORABLE (UNFAVORABLE)
REVENUE				
1 Passenger Revenue	\$ 8,265,483	\$ 8,862,146	\$ (596,663)	-7%
2 Advertising Revenue	391,666	388,818	2,848	1%
3 Investment Revenue	323,392	349,652	(26,260)	-8%
4 Sales Tax	33,716,000	33,716,000	-	0%
5 Sales Tax - Prop 1	1,173,000	1,173,000	-	0%
6 Other Revenue	541,197	1,065,124	(523,927)	-49%
7 Fed Operations/Preventative Maint.	9,039,365	10,112,262	(1,072,897)	-11%
8 TOTAL REVENUE	\$ 53,450,103	\$ 55,667,002	\$ (2,216,899)	-4%
OPERATING EXPENSE				
9 Bus Service	\$ 14,241,609	\$ 15,150,783	\$ 909,174	6%
10 Commuter Rail	3,484,228	3,863,328	379,100	10%
11 Light Rail	5,285,931	6,347,363	1,061,432	17%
12 Maintenance of Way	2,677,556	3,016,007	338,451	11%
13 Paratransit Service	3,209,817	3,621,408	411,591	11%
14 RideShare/Van Pool Services	426,954	429,240	2,286	1%
15 Operations Support	7,225,530	6,980,610	(244,920)	-4%
16 Administration	4,247,635	5,289,124	1,041,489	20%
17 TOTAL OPERATING EXPENSE	\$ 40,799,260	\$ 44,697,863	\$ 3,898,603	9%
18 NET OPERATING INCOME (LOSS)	\$ 12,650,843	\$ 10,969,139	\$ 1,681,704	15%
NON-OPERATING EXPENSE (REVENUE)				
19 Planning & Development	\$ 765,978	\$ 1,009,908	\$ 243,930	24%
20 Major Investment Studies	-	-	-	0%
21 Offsetting Investment Studies	-	-	-	0%
22 Bond Principal	1,458,334	1,458,276	(58)	0%
23 Bond Interest	15,171,574	14,689,558	(482,016)	-3%
24 Bond Funded Interest - 2015A Sub	747,555	748,000	445	0%
25 Bond Cost of Issuance/Fees	500	10,000	9,500	95%
26 Offsetting Bond Funds	-	-	-	0%
27 Lease Cost	516,049	653,328	137,279	21%
28 Sale of Assets	(2,168,537)	-	2,168,537	100%
29 TOTAL NON-OPERATING EXPENSE	\$ 16,491,452	\$ 18,569,070	\$ 2,077,618	11%
30 CONTRIBUTION TO CAPITAL RESERVES	\$ (3,840,609)	\$ (7,599,931)	\$ 3,759,322	49%
OTHER EXPENSES (NON-CASH)				
31 Bond Debt Service - Series 2007A CAB	\$ 31,718			
32 Bond Premium/Discount Amortization	(2,642,513)			
33 Bond Refunding Cost Amortization	1,370,384			
34 Future Revenue Cost Amortization	135,152			
35 Depreciation	25,120,000			
36 NET OTHER EXPENSES (NON-CASH)	\$ 24,014,741			

CAPITAL PROJECTS
(UNAUDITED)
As of February 28, 2017

EXHIBIT 1-6

	2017 ACTUAL	ANNUAL BUDGET	PERCENT
1 REVENUE VEHICLES	\$ 2,244,952	\$ 42,397,425	5.3%
2 INFORMATION TECHNOLOGY	359,517	13,081,067	2.7%
3 FACILITIES, MAINTENANCE & ADMIN. EQUIP.	192,765	2,348,278	8.2%
4 CAPITAL PROJECTS	480,794	36,243,448	1.3%
5 PROVO OREM BRT	1,445,268	120,308,000	1.2%
6 RAIL MAINTENANCE	3,984	2,079,036	0.2%
7 STATE OF GOOD REPAIR	682,692	25,675,658	2.7%
8 PROP 1 PROJECTS	34,104	11,220,638	0.3%
9 5310 GRANTS	5,756	1,834,229	0.3%
10 TOTAL	<u>\$ 5,449,832</u>	<u>\$ 255,187,779</u>	2.1%
 SOURCE OF FUNDS TO PAY FOR CAPITAL PROJECTS			
9 CAPITAL GRANTS	\$ 839,911	\$ 56,178,370	1.5%
10 LOCAL MATCH INCLUDING FINANCING	4,609,921	145,887,626	3.2%
11 TOTAL	<u>\$ 5,449,832</u>	<u>\$ 202,065,996</u>	2.7%

As of February 28, 2017

BY SERVICE

	CURRENT MONTH		YEAR TO DATE	
	Feb-17	Feb-16	2017	2016
UTA				
Fully Allocated Costs	20,034,214	18,890,256	40,799,261	38,321,424
Passenger Farebox Revenue	4,005,177	4,230,378	8,265,476	8,710,188
Passengers	3,624,836	3,802,470	7,370,516	7,485,114
Farebox Recovery Ratio	20.0%	22.4%	20.3%	22.7%
Actual Investment per Rider	\$4.42	\$3.86	\$4.41	\$3.96
GOAL Investment per Rider				
BUS SERVICE				
Fully Allocated Costs	10,015,532	9,352,762	20,530,182	18,712,044
Passenger Farebox Revenue	1,660,915	1,720,684	3,327,536	3,588,134
Passengers	1,613,300	1,699,173	3,238,928	3,337,128
Farebox Recovery Ratio	16.6%	18.4%	16.2%	19.2%
Actual Investment per Rider	\$5.18	\$4.49	\$5.31	\$4.53
LIGHT RAIL SERVICE				
Fully Allocated Costs	4,628,535	4,419,400	9,694,357	9,918,338
Passenger Farebox Revenue	1,307,248	1,419,428	2,620,495	3,010,341
Passengers	1,460,516	1,553,052	2,994,876	3,042,535
Farebox Recovery Ratio	28.2%	32.1%	27.0%	30.4%
Actual Investment per Rider	\$2.27	\$1.93	\$2.36	\$2.27
COMMUTER RAIL SERVICE				
Fully Allocated Costs	3,046,732	2,967,550	5,812,922	5,392,548
Passenger Farebox Revenue	421,945	430,642	881,097	896,481
Passengers	372,671	364,851	773,942	723,635
Farebox Recovery Ratio	13.8%	14.5%	15.2%	16.6%
Actual Investment per Rider	\$7.04	\$6.95	\$6.37	\$6.21
PARATRANSIT				
Fully Allocated Costs	2,036,856	1,939,738	4,148,092	3,833,452
Passenger Farebox Revenue	271,450	316,803	756,510	517,710
Passengers	65,701	73,973	136,819	145,105
Farebox Recovery Ratio	13.3%	16.3%	18.2%	13.5%
Actual Investment per Rider	\$26.87	\$21.94	\$24.79	\$22.85
RIDESHARE				
Fully Allocated Costs	306,560	210,805	613,707	465,042
Passenger Farebox Revenue	343,619	342,822	679,837	697,523
Passengers	112,648	111,422	225,951	236,711
Farebox Recovery Ratio	112.1%	162.6%	110.8%	150.0%
Actual Investment per Rider	(\$0.33)	(\$1.18)	(\$0.29)	(\$0.98)

FAREBOX RECOVERY & IPR
(UNAUDITED)

As of February 28, 2017

EXHIBIT 1-8

BY TYPE

	CURRENT MONTH		YEAR TO DATE	
	Feb-17	Feb-16	2017	2016
FULLY ALLOCATED COSTS				
Bus Service	\$10,015,532	\$9,352,762	\$20,530,182	\$18,712,044
Light Rail Service	\$4,628,535	\$4,419,400	\$9,694,357	\$9,918,338
Commuter Rail Service	\$3,046,732	\$2,967,550	\$5,812,922	\$5,392,548
Paratransit	\$2,036,856	\$1,939,738	\$4,148,092	\$3,833,452
Rideshare	\$306,560	\$210,805	\$613,707	\$465,042
UTA	\$20,034,215	\$18,890,255	\$40,799,260	\$38,321,424
PASSENGER FAREBOX REVENUE				
Bus Service	\$1,660,915	\$1,720,684	\$3,327,536	\$3,588,134
Light Rail Service	\$1,307,248	\$1,419,428	\$2,620,495	\$3,010,341
Commuter Rail Service	\$421,945	\$430,642	\$881,097	\$896,481
Paratransit	\$271,450	\$316,803	\$756,510	\$517,710
Rideshare	\$343,619	\$342,822	\$679,837	\$697,523
UTA	\$4,005,177	\$4,230,379	\$8,265,475	\$8,710,189
PASSENGERS				
Bus Service	1,613,300	1,699,173	3,238,928	3,337,128
Light Rail Service	1,460,516	1,553,052	2,994,876	3,042,535
Commuter Rail Service	372,671	364,851	773,942	723,635
Paratransit	65,701	73,973	136,819	145,105
Rideshare	112,648	111,422	225,951	236,711
UTA	3,624,836	3,802,471	7,370,516	7,485,114
FAREBOX RECOVERY RATIO				
Bus Service	16.6%	18.4%	16.2%	19.2%
Light Rail Service	28.2%	32.1%	27.0%	30.4%
Commuter Rail Service	13.8%	14.5%	15.2%	16.6%
Paratransit	13.3%	16.3%	18.2%	13.5%
Rideshare	112.1%	162.6%	110.8%	150.0%
UTA	20.0%	22.4%	20.3%	22.7%
ACTUAL INVESTMENT PER RIDER				
Bus Service	\$5.18	\$4.49	\$5.31	\$4.53
Light Rail Service	\$2.27	\$1.93	\$2.36	\$2.27
Commuter Rail Service	\$7.04	\$6.95	\$6.37	\$6.21
Paratransit	\$26.87	\$21.94	\$24.79	\$22.85
Rideshare	(\$0.33)	(\$1.18)	(\$0.29)	(\$0.98)
UTA	\$4.42	\$3.86	\$4.41	\$3.96

SUMMARY OF ACCOUNTS RECEIVABLE
(UNAUDITED)

EXHIBIT 1-9

As of February 28, 2017

<u>Classification</u>	<u>Total</u>	<u>Current</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>Over 90 Days</u>
Federal Government ¹	\$ 13,048,991	\$ 13,048,991			
Local Contributions ²	34,889,582	34,888,999			583
Interlocal Agreements	1,627,276	1,261,759		82,250	283,267
Contracts	9,650,628	3,786,543	568,049	4,770,438	525,598
Other ³	3,611,499	3,611,499			
Total	\$ 62,827,976	\$ 56,597,791	\$ 568,049	\$ 4,852,688	\$ 809,448

Percentage Due by Aging

Federal Government ¹	100.0%	0.0%	0.0%	0.0%
Local Contributions ²	100.0%	0.0%	0.0%	0.0%
Contracts	39.2%	5.9%	49.4%	5.4%
Other	100.0%	0.0%	0.0%	0.0%
Total	90.1%	0.9%	7.7%	1.3%

¹ Federal preventive maintenance funds, federal RideShare funds, and federal interest subsidies for Build America Bonds

² Estimated sales tax to be distributed upon collection by the Utah State Tax Commission

³ OCIP escrow, fuel tax credit, warranty parts out for repair

UTAH TRANSIT AUTHORITY FINANCE & OPERATIONS COMMITTEE
Action Agenda Item Coversheet

DATE:	April 12, 2017
AGENDA ITEM:	Resolution of the Board of Trustees of the Utah Transit Authority (the "Authority") authorizing the financing of certain equipment for the Authority through lease-purchase agreements, subject to limits on certain parameters, and by granting authority to the Designated Officers to approve final terms and provisions of the lease-purchase agreements, etc.
CONTACT PERSONS:	Robert K. Biles, Chief Financial Officer, Treasurer Richard C. Swenson, Deputy Treasurer
SUBJECT:	Resolution 17-04-01 authorizing the financing of certain equipment through lease-purchase agreements.
BACKGROUND:	<p>The 2017 budget included the acquisition of 49 buses, 29 paratransit vans, and 40 rideshare vans via lease-purchase agreements. The estimated cost to acquire these vehicles, as well as the estimated lease-purchase amount, is \$30,017,914, which is \$1,839,115 less than the amount budgeted for vehicle leases.</p> <p>Resolution 17-04-xx authorizes certain designated officers (the Treasurer or Deputy Treasurer and the CEO/President) to 1) select the lessor and 2) approve the principal amounts, interest rates, terms, description of equipment, and other pricing terms as long as the lease-purchase agreements fall with the following parameters:</p> <ul style="list-style-type: none"> • Amount \$30,017,914 or less • Term: 12 years or less • Interest Rate: 3.6% or less <p>Legal Counsel documenting this transaction has provided the attached resolution and form of the lease-purchase agreements for the twelve, five and four year leases.</p>
PREFERRED ALTERNATIVE:	Forward the resolution to the Board of Trustees.

BOARD STRATEGIC FOCUS ALIGNMENT:	Finances/funding
FINANCIAL IMPACT:	The requested lease authorization amount of \$30,017,914 is \$1,839,115 lower than the adopted 2017 capital budget lease amount for vehicles.
LEGAL REVIEW:	Provided by Outside Legal Counsel; reviewed by UTA Office of General Counsel.
EXHIBITS:	<ul style="list-style-type: none">• Resolution 17-04-01 - Parameters Resolution.• Form of the lease-purchase agreement - four year• Form of the lease-purchase agreement - five year• Form of the lease-purchase agreement – twelve year

Salt Lake City, Utah

April 26, 2017

The Board of Trustees (the “Board”) of the Utah Transit Authority (the “Authority”) met in regular session originating from the UTA Frontline Headquarters, 669 West 200 South, in Salt Lake City, Utah, on April 26, 2017 at the hour of 1:30 p.m., with the following members of the Board being present:

Robert McKinley	Chair
Jeff Hawker	Co-Vice Chair
Sherrie Hall Everett	Co-Vice Chair
Jeff Acerson	Member
Cortland G. Ashton	Member
Keith Bartholomew	Member
Gregory S. Bell	Member
Necia Christensen	Member
Karen Cronin	Member
Babs DeLay	Member
Charles G. Henderson	Member
Dannie R. McConkie	Member
Bret Millburn	Member
Michael E. Romero	Member
Brent Taylor	Member
Troy K. Walker	Member

Also present:

Jerry Benson	CEO/President
Robert K. Biles	Vice President of Finance/ Secretary/Treasurer
Jayne Blakesley	General Counsel

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, there was presented to the Board a Certificate of Compliance with Open Meeting Law with respect to this meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in writing, was fully discussed, and pursuant to motion duly made by _____ and seconded by _____, was adopted by the following vote:

AYE:

NAY:

ABSTAIN:

The resolution was then signed by the Chair of the Board and recorded by the Secretary of the Board in the official records of the Utah Transit Authority. The resolution is as follows:

RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY (THE "AUTHORITY") AUTHORIZING THE FINANCING OF CERTAIN EQUIPMENT FOR THE AUTHORITY THROUGH ONE OR MORE EQUIPMENT LEASE-PURCHASE AGREEMENTS AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING CERTAIN OFFICIALS OF THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE LEASE-PURCHASE AGREEMENTS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY SUCH DOCUMENTS AND THIS RESOLUTION; AND RELATED MATTERS.

Resolution No. R2017-_____

April 26, 2017

WHEREAS, pursuant to the provisions of the Public Transit District Act, Title 17B, Chapter 2a, Part 8, Utah Code Annotated 1953, as amended (the "Act"), the Board of Trustees (the "Board") of the Utah Transit Authority (the "Authority"), has authority to enter into lease agreements to provide for the financing of certain equipment; and

WHEREAS, in order to finance the acquisition and installation of certain vehicles, equipment and other capital costs to be used by the Authority for the benefit of its public transit system (the "Project"), the Board finds and determines that it is necessary and in the best interests of the Authority to authorize the appropriate officials of the Authority to, from time to time, enter into Equipment Lease-Purchase Agreements (each a "Lease-Purchase Agreement"); and

WHEREAS, there has been presented to the Board at this meeting a form of the Lease-Purchase Agreement; and

WHEREAS, in order to allow the Authority flexibility in timing the execution of the Lease-Purchase Agreements and to minimize costs to the Authority, the Board desires to grant to the Treasurer or the Deputy Treasurer and the CEO/President of the Authority (each a "Designated Officer") the authority to, from time to time: (a) select the lessor for the Lease-Purchase Agreement; and (b) approve the principal amounts, interest rates, terms, description of equipment, and other pricing terms; and to authorize any of the Designated Officers to execute a finalized version of each Lease-Purchase Agreement; and

WHEREAS, the Board desires to authorize and approve the finalization and use of the Lease-Purchase Agreement, and to authorize and approve all actions to be taken by the Authority in connection with the execution of the above documents and the financing of the Project.

NOW, THEREFORE, it is hereby resolved by the Board of Trustees of the Utah Transit Authority, as follows:

Section 1. Terms defined in the foregoing recitals shall have the same meaning when used in the body of this Resolution.

Section 2. For the purpose of providing funds to be used for the financing of the Project, the Board hereby authorizes the Designated Officers of the Authority to, from time to time, enter into Lease-Purchase Agreements all within the parameters set forth in Section 4 hereof. The execution of the Lease-Purchase Agreements shall be subject to the final advice of counsel for the Authority.

Section 3. The form of Lease-Purchase Agreement substantially as presented to this meeting and attached hereto as Exhibit B is hereby authorized, approved and confirmed. All terms and provisions of the Lease-Purchase Agreement are hereby incorporated in this Resolution. The Designated Officers of the Authority are hereby authorized to approve the final terms for each Lease-Purchase Agreement and any of the Designated Officers may execute and deliver the Lease-Purchase Agreement in substantially the same form and with substantially the same content as the form of the Lease-Purchase Agreement presented at this meeting for and on behalf of the Authority with final terms as may be established for the Lease-Purchase Agreement within the parameters set forth herein and with such alterations, changes or additions as may be necessary or as may be authorized by Section 5 hereof. Each of the Designated Officers of the Authority is hereby authorized to specify and agree as to the final principal amounts, interest rates, terms, description of equipment, and other pricing terms with respect to the Lease-Purchase Agreement for and on behalf of the Authority and any changes thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms are within the parameters set by this Resolution, with such approval to be conclusively established by the execution of the Lease-Purchase Agreement by a Designated Officer.

Section 4. In order to finance the Project, the Board hereby finds and determines that it is in the best interests of the Authority and residents within the Authority, for the Authority to, from time to time, enter into lease arrangements with substantially the provisions of the Lease-Purchase Agreement, with an aggregate principal amount not more than \$30,017,914, to bear interest at an interest rate of not to exceed 3.60% per annum, to include a term not to exceed 12 years, and to be sold with a discount from par of not to exceed 2%, as shall be approved by any of the Designated Officers, all within the Parameters set forth herein. The Designated Officers may approve and execute Lease-Purchase Agreements, within the parameters described herein, from time to time, at any time during the two years following adoption of this Resolution.

Section 5. The Designated Officers of the Board and the Authority are authorized to make any alterations, changes or additions to the Lease-Purchase Agreement or any other document herein authorized and approved which may be necessary to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, to conform the same to other provisions of said instruments, to the provisions of this resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States or to the agreement with the lessor.

Section 6. The Designated Officers of the Board and the Authority, are hereby authorized and directed to execute and deliver for and on behalf of the Board and the Authority any or all additional certificates, documents and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 7. The Board hereby declares the Authority's intention and reasonable expectation to use proceeds of tax-exempt Lease-Purchase Agreements to reimburse itself for expenditures for costs of the Project. The Lease-Purchase Agreements are to be executed and the reimbursements made, by the later of 18-months after the payment of the costs or after the Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The Treasurer and Deputy Treasurer of the Authority are each hereby authorized to execute reimbursement intents on behalf of the Authority and the Board hereby ratifies all prior reimbursement intents previously executed by the Treasurer and Deputy Treasurer of the Authority.

Section 8. The Designated Officers of the Board and the Authority are hereby authorized to take all action necessary or reasonably required by the Lease-Purchase Agreement to carry out, give effect to and consummate the transactions as contemplated thereby and are authorized to take all action necessary in conformity with the Act.

Section 9. If any provisions of this Resolution should be held invalid, the invalidity of such provisions shall not affect the validity of any of the other provisions of this Resolution.

Section 10. All resolutions of the Board or parts thereof inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 11. This Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 26th day of April, 2017.

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the Agenda, the meeting was adjourned.

Chair

ATTEST:

Secretary/Treasurer

CERTIFICATE

The undersigned duly qualified Chair of the Board of Trustees of the Utah Transit Authority certifies that the foregoing is a true and correct copy of a resolution adopted at a legally convened meeting of the Board of Trustees held on the 26th day of April, 2017.

Chair

ATTEST:

Secretary/Treasurer

APPROVED AS TO FORM:

Legal Counsel

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Robert K. Biles, the undersigned Secretary/Treasurer of the Board of Trustees (the "Board") of the Utah Transit Authority (the "Authority"), do hereby certify, according to the records of the Authority in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, not less than twenty-four (24) hours public notice of the agenda, date, time and place of the April 26, 2017, public meeting held by the Board was given as follows:

(a) by causing a Notice, in the form attached hereto as Schedule B to be posted at the Authority's principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) by causing a copy of such Notice, in the form attached hereto as Schedule B to be delivered at least twenty-four (24) hours prior to the convening of the meeting to the persons, newspapers (at least one of which is a newspaper of general circulation within the Authority), and media representatives shown on Schedule B attached hereto, as well as to those requesting such notices; and

(c) by causing a copy of such Notice to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2017 Annual Meeting Schedule for the Board (attached hereto as Schedule C) was given specifying the date, time and place of the regular meetings of the Board to be held during the year, by causing said Notice to be (i) posted in December 2015 at the principal office of the Authority, (ii) provided to local media correspondents, or to newspapers of general circulation within the geographic jurisdiction of the Authority, at least once during the calendar year 2017, and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 26th day of April, 2017.

Secretary/Treasurer

(SEAL)

SCHEDULE B

NOTICE AND AGENDA OF THE APRIL 26, 2017 MEETING

SCHEDULE C

2017 ANNUAL MEETING NOTICE

EXHIBIT B

EQUIPMENT LEASE-PURCHASE AGREEMENT

[See Transcript Document No. ___]

EQUIPMENT LEASE-PURCHASE AGREEMENT
(4-Year)

This Equipment Lease-Purchase Agreement dated as of April ____, 2017, together with all amendments or supplements thereto (collectively, the "Lease") by and between _____, a corporation organized under the laws of State of _____ ("Lessor"), and the Utah Transit Authority (the "Lessee"), a public transit district existing under the laws of the State of Utah:

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEMISING CLAUSE; TITLE; SECURITY

Section 1.1 Agreement to Lease. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the Equipment (defined below), to have and to hold for the Term (defined below) of this Lease.

Section 1.2 Title. During the Term of this Lease, title to the Equipment will be transferred to, vested and held in the name of, Lessee, subject to retransfer to Lessor as provided in Section 3.4 and further subject to Lessee's right to exercise the Option provided in Article V hereof. Upon termination of this Lease pursuant to Sections 3.3(a) or 3.3(c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessee, who by this Lease appoints Lessor its irrevocable attorney in fact solely for the purpose of taking such action as is necessary to so transfer title to the Equipment to Lessor. Lessor at all times will have reasonable access to the Equipment during regular business hours for the purpose of inspection, alteration, and repair.

Section 1.3 Security. To secure the payment of all of Lessee's obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in (i) the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment, (ii) any moneys and investments held from time to time in the Escrow Account and (iii) any and all proceeds of the foregoing Equipment. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or advisable to establish and maintain its security interest in the Equipment. Under the laws of the State of Utah, such pledge and assignment and security interest is automatically perfected as provided in Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Equipment.

This Lease does not create any pledge of or lien on the revenues of the Lessee, including without limitation, the revenues pledged to any of its bonds, notes or other indebtedness and nothing in this Lease shall be construed to limit the ability of the Lessee

to issue bonds, notes or other indebtedness secured by its revenues or any of its assets other than a lien on the Equipment.

ARTICLE II

DEFINITIONS

In addition to the terms defined in Article I hereof, the terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

“Acquisition Amount” means \$1,316,000. The Acquisition Amount is represented by the Lessee to be sufficient, together with other funds (if any) that are legally available, for the purpose to acquire and install the Equipment.

“Code” means the Internal Revenue Code of 1986 as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“Commencement Date” shall mean the date when Lessee’s obligation to make payments commences hereunder and shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“Equipment” shall mean the property which Lessor is leasing to Lessee described generally in Appendix A attached hereto and as may be more fully described in each draw under the Escrow Agreement.

“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 successor and assigns.

“Escrow Agreement” means an [Escrow and Account Control Agreement] in form and substance acceptable to and executed by Lessee, Lessor and the Escrow Agent, pursuant to which the Escrow Account is established and administered.

“Event of Taxability” has the meaning assigned in Section 6.1(h).

“Option Purchase Price” shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V and the attached Appendix B.

“Original Term” shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

“Renewal Terms” shall mean all of the additional periods of one year (coextensive with Lessee’s fiscal year) for which this Lease shall be effective in the absence of a termination of the Lease as provided in Article III.

“Rental Payments” means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

“Taxable Rate” means the interest rate then in effect divided by [64.1%].

“Tax Certificate” means the Tax Agreement and Certificate to be executed by the Lessee in connection with this Lease, and attached thereto as Appendix E.

“Tax-Exempt Rental Payments” means Rental Payments related to this Lease, the interest portion of which is excludable from gross income for federal income tax purposes.

“Term” or “Term of this Lease” shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

“Vendor” shall mean the manufacturer of the Equipment and the manufacturer’s agent or dealer from whom Lessee purchased the Equipment.

ARTICLE III

LEASE TERM

Section 3.1 Commencement. The Term of this Lease shall commence as of the Commencement Date.

Section 3.2 Duration of Lease; Nonappropriation; Nonsubstitution. The Term of this Lease will continue until midnight on the last day of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be automatically extended for successive additional periods of one year coextensive with Lessee’s fiscal year as set forth in Appendix B (the “Renewal Terms”), unless this Lease is terminated as hereinafter provided.

The parties understand as long as Lessee has sufficient funds to make the Rental Payments hereunder, Lessee will keep this Lease in effect through all Renewal Terms and make all payments required herein or Lessee will exercise its option under Article V to purchase the Equipment. Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Lease Equipment which is the subject of this Lease to carry out and give effect to the public purpose of Lessee. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment (an “Event of Nonappropriation”) for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect; provided, however, that a

failure to give such written notice shall not constitute an event of default, result in any liability on the part of the Lessee or otherwise affect the termination of this Lease as set forth hereinabove.

If this Lease is terminated by Lessee due to an Event of Nonappropriation, the Lessee agrees not to purchase, lease or rent personal property to perform the same function or functions as those performed by the Equipment for a period of one hundred eighty (180) days succeeding such termination; provided, however, that these restrictions shall not be applicable if illegal or unenforceable under Utah law (as to which no opinion is expressed by Lessee or Lessee's counsel).

Section 3.3 Termination. This Lease will terminate upon the earliest to occur of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease wherein an Event of Nonappropriation has occurred resulting in a lack of funds to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein; or
- (d) upon the payment of all rental payments and all other amounts due hereunder.

Section 3.4 Return of Equipment Upon Termination. Upon termination of this Lease pursuant to Section 3.3(a) or (c), Lessee shall return the Equipment, freight and insurance prepaid, at Lessee's expense to a location designated by the Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof. In the event that Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession and the Rental Payments through the earlier of (i) actual repossession by Lessors or (ii) 30 days from the date of termination of this Lease. Lessee's obligations under the provisions of this Section are subject to and payable solely from funds appropriated for such purpose.

Section 3.5 Delivery and Installation. Delivery and installation specifics for the Equipment shall be performed in a reasonable and customary manner.

Section 3.6 Draw Down of Funds into Escrow Account. Upon closing of this Lease, the Lessor shall deposit \$1,316,000 into the Escrow Account.

Section 3.7 Acceptance Certificate. Upon delivery of all of the Equipment for use by the Lessee, the Lessee shall deliver the Acceptance Certificate in substantially the form of Appendix D hereto.

ARTICLE IV

RENTAL PAYMENTS

Section 4.1 Amount. Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms the Rental Payments on the dates and in the amounts set forth in Appendix B. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at Lessor's address set forth in Section 11.4 or to such other person or entity or at such other place as Lessor may from time to time designate by at least thirty (30) days advance written notice to Lessee.

Section 4.2 Portion of Rental Payments Attributable to Interest. The portion of each Rental Payment which is paid as and is representative of interest is set forth in Appendix B.

Section 4.3 No Right to Withhold. Notwithstanding any dispute between Lessee, Lessor, or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction. The obligation of Lessee to pay Rental Payments hereunder during the Original Term and any Renewal Term is absolute and unconditional and shall not be abated for any reason, subject to the right of the Lessee to terminate this lease at the conclusion of the Original Term or any Renewal Term due to an Event of Nonappropriation.

Section 4.4 Rental Payments to Constitute a Current Obligation of the Lessee. The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current 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 provision of the laws of the State of Utah or any section of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general credit of the Lessee, or any revenues or assets of Lessee to the payment of the Rental Payments, or the interest thereon, and this Lease shall not obligate the Lessee to apply any other money to the Rental Payments or any interest thereon.

ARTICLE V

PURCHASE OF EQUIPMENT

Section 5.1 Option Purchase Price. Lessee shall have the option (the "Option") to purchase the Equipment from Lessor at a price equal to the Option Purchase Price (as set forth on Appendix B), plus accrued and unpaid interest (if any) and any rental payments due on the date of purchase.

Section 5.2 Manner of Exercise of Option. To exercise the Option, Lessee must deliver to Lessor written notice specifying the date on which the related Equipment is to be purchased, which notice must be delivered to Lessor at least thirty (30) days prior to the date of purchase specified therein. At the closing of the Option and upon payment of the Option Purchase Price, Lessor will deliver to Lessee all documents necessary to clear and release any related lien, encumbrance or security interest created by or arising through Lessor or this Lease

Section 5.3 Conditions of Exercise of Option. Lessee may purchase the Equipment pursuant to the Option only if Lessee is not in default in the payment of Rental Payments, in accordance with the provisions of this Lease (or has remedied any defaults).

Section 5.4 Termination Purchase. Upon the expiration of the Term of the Lease as stated in Section 3.3(d) and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased all of the Equipment (without the payment of additional sums and without any notice required by Section 5.2) and shall be vested with all rights and title to all of the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section 5.4, it shall deliver to Lessee the documents specified in Section 5.2.

ARTICLE VI

REPRESENTATIONS, COVENANTS, AND WARRANTIES OF LESSEE AND LESSOR

Section 6.1 Representations, Covenants and Warranties of Lessee. Lessee represents, covenants, and warrants as follows:

(a) Lessee is a public transit district, duly organized and existing under the Constitution and laws of the State of Utah.

(b) Lessee is authorized by the Constitution and laws of the State of Utah to enter into this Lease and to effect all of Lessee's obligations hereunder. To the knowledge of the undersigned, there is no litigation or other proceeding challenging in any way Lessee's authority to execute this Lease and perform its obligations hereunder. To the knowledge of the undersigned, the execution and delivery of this Lease by Lessee and the performance of Lessee's obligations hereunder does not conflict with or constitute a breach of or default under, (with or without notice or lapse of time), any other instrument to which Lessee is a part.

(c) All procedures and requirements, including any public bidding requirements, required to be met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease have been met and all Rental Payments and other payment obligations will be paid out of funds legally available for such purpose.

(d) The letter attached to this Lease as Appendix C is a true opinion of Lessee's counsel.

(e) Lessee will use and service the Equipment in accordance with Vendor's written instructions, if any, provided to Lessee.

(f) During the Term of this Lease, the Lessee shall comply with the Tax Certificate, if any, and the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

(g) Equipment related to Tax-Exempt Rental Payments shall be used solely by Lessee and shall not be subject to any direct or indirect private business use or to make any loans.

(h) Lessee agrees that it will not take any action that would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes. Upon the occurrence of an Event of Taxability with respect to this Lease, the interest component of Rental Payments under such Lease and any charge on Rental Payments or other amounts payable based on the interest rate described herein shall have accrued and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in Lessor receiving the interest component at the Taxable Rate. For purposes of this Section, "Event of Taxability" means the circumstance of the interest component of any Rental Payment paid or payable pursuant to this Lease becoming includible for federal income tax purposes in Lessor's gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of Lessee. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; or (c) receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rental Payment under this Lease has

become includable in the gross income of Lessor for federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest component of any Rental Payment is deemed includable in the gross income of the owner thereof for federal income tax purposes.

(i) With relation to Tax-Exempt Rental Payments, this Lease constitutes neither (i) a private activity bond, as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”) nor (ii) an arbitrage bond, as defined in Section 148 of the Code.

(j) For Tax-Exempt Rental Payments the obligations of Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(k) With relation to Tax-Exempt Rental Payments in compliance with Section 149(e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038-G or 8038-GC, as appropriate, (form attached as Appendix F).

(l) The Lessee covenants and certifies to and for the benefit of the Lessor that no use will be made of any of the proceeds of the issuance and sale of the Lease or any funds or accounts of the Lessee which may be deemed to be available proceeds of the Lease, pursuant to Section 148 of the Code, and applicable Treasury Regulations (promulgated or proposed) thereunder, which use, if it had been reasonably expected on the date of issuance of the Lease, would have caused the Lease to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Lessee obligates itself to comply throughout the term of the Lease with the requirements of Section 148 of the Code and the Treasury Regulations proposed or promulgated thereunder as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. [The Lessee further represents and covenants that, except as provided in the Tax Certificate, no federal tax exempt bonds or other federal tax exempt evidences of indebtedness of the Lessee have been or will be issued, sold or delivered pursuant to a common plan of finance with this Lease within a period beginning 15 days prior to the pricing of the Lease and ending 15 days following the delivery of the Lease. Additional representations and covenants of the Lessee with respect to matters governed by the Code and Treasury Regulations relating to the Tax-Exempt Rental Payments, including without limitation Treasury Regulations Sections 1.148-1 through 1.148-11, Section 1.149 and Sections 1.150-1 and 1.150-2, will be set forth in the Tax Certificate attached hereto.]

(m) With relation to Tax-Exempt Rental Payments no portion of the proceeds of this Lease will be used to refund any other obligation.

(n) With relation to Tax-Exempt Rental Payments, except for capital expenditures (i) contemplated by the Declaration of Official Intent attached hereto as Appendix G and (ii) paid after the date of the Declaration of Official Intent (or within 60 days prior to the date thereof), no proceeds of this Lease will be used to reimburse amounts expended prior to the closing date described herein.

(o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.

(p) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations.

(q) The Lessee shall have available for the Lessor's inspection a copy of its audited financial statements within one-hundred eighty (180) days of its fiscal year end, unless due to circumstances reasonably outside of its control said statements cannot be completed within one-hundred eighty (180) days. In such event, unless reasonably agreed to otherwise by Lessor, audited financial statements shall be made available within two-hundred-twenty (220) days of its fiscal year end.

Section 6.2 Representations, Covenants and Warranties of Lessor.
Lessor represents, covenants, and warrants as follows:

(i) During the Term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor or through Lessor, except upon the occurrence of the events described in Section 3.3 (a) or (c) of this Lease.

(ii) Lessee has ordered the Equipment and Lessor shall lease the same to Lessee as herein provided, Lessor's role being the facilitation of the financing of the Equipment for the Lessee. FOR PURPOSE OF THIS LEASE AND OF ANY PURCHASE OF THE EQUIPMENT EFFECTED UNDER THIS LEASE, LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT IN ANY RESPECT, AND ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED. LESSOR WILL NOT BE LIABLE TO LESSEE FOR ANY

LIABILITY, LOSS, OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY INADEQUACY, DEFICIENCY, OR DEFECT IN THE EQUIPMENT, OR BY ANY USE OF THE EQUIPMENT, WHATSOEVER. Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and authorizes Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee's expense.

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 "Event of Default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder within fifteen (15) days of the time specified herein.

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 20 days (10 days in the case of a failure to comply with Section 10.2 hereof) after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, or (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding.

(d) An order, judgment or decree shall be entered into by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to an Event of Nonappropriation; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof and Section 10.2 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State of Utah or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

Section 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor 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) With or without terminating this Lease, retake possession of the Equipment or by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee’s expense, promptly return the Equipment to Lessor in the manner set forth in Section 3.4 hereof and Lessor may sell, lease or otherwise dispose of the Equipment;

(b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Lease or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account; and

(c) Terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Rental Payments due hereunder; and

(d) With or without terminating this Lease, declare all Rental Payments due during the Original Term or Renewal Term in effect on the date of the default to be immediately due and payable whereupon such Rental Payments shall be due and payable, but solely from legally available funds appropriated for such purpose.

Any amount realized upon a sale, lease or other disposition of the Equipment or from the exercise of any other remedies hereunder shall be applied as follows:

First: To pay all reasonable expenses of the repossession and/or disposition of the Equipment;

Second: To the payment of all principal (using for this purpose the Option Purchase Price) and interest (accrued to the date of payment) owing Lessor hereunder, and

Third: Any excess shall be returned to Lessee as an overpayment of rent hereunder.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor 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 Lessor to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

Section 7.4 No Deficiency Judgment. Anything in this Lease to the contrary notwithstanding, the remedies of Lessor hereunder shall be limited to repossession and disposal of the Equipment and no judgment for any deficiency or any other amounts owing hereunder shall be entered against Lessee except with respect to the Rental Payments due during the Original Term or Renewal Term in effect on the date of the default, but then solely from legally available funds appropriated for such purpose.

Section 7.5 Waiver of Certain Damages. With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

ARTICLE VIII

PAYMENT OF TAXES, FEES, PERMITS, AND UTILITY SERVICES

Section 8.1 Interpretation. This Lease for all purposes will be treated as a net lease.

Section 8.2 Taxes and Fees. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition, except any federal or state income taxes payable by Lessor on such rental or earnings. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

Section 8.3 Permits. Lessee will obtain all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation,

ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.

Section 8.4 Utilities. Lessee will pay all charges for fuel, water, steam, electricity, light, heat, power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the Term of this Lease. There will be no abatement of rent on account of the interruption of any such services.

ARTICLE IX

USE, REPAIRS, ALTERATIONS, AND LIENS

Section 9.1 Use; Personal Property. Lessee has not (or, as applicable, will not) install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property notwithstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 9.2 Repairs. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed, damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 Alterations. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such miscellaneous equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease, restores the Equipment to its function and manner of operation in existence prior to the installation of such miscellaneous equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous equipment which may

be removed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 Liens. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

ARTICLE X

INDEMNIFICATION, INSURANCE, AND DAMAGE TO OR DESTRUCTION OF THE EQUIPMENT

Section 10.1 Indemnification. Lessee shall, to the extent permitted by law, indemnify and hold Lessor harmless from and against any and all claims, liabilities, damages and expenses, including reasonable attorneys' fees, to the extent caused by Lessee's negligence in the use, operation, ownership or possession of the Equipment, including claims for property damage, personal injury or wrongful death, and excluding any claims, liabilities, damages and expenses arising out of the negligent acts or omissions of Lessor. Lessee is a governmental entity under the Governmental Immunity Act of Utah (the "Act"). Nothing in this Agreement may be construed as a waiver of any rights or defenses otherwise applicable to Lessee pursuant to the Act. Indemnification is limited to the amounts established in Section 63G-7-604 of the Act.

Section 10.2 Insurance. Lessee shall, at its sole discretion, either self-insure or maintain at all times during the Lease Term comprehensive general liability and property damage insurance with respect to the Lessee's operation or possession of the Equipment. [The comprehensive general liability insurance limits shall be at least \$703,000 per person and \$2,407,000 per occurrence for bodily injury and \$281,300 for property damage liability (such limits to be automatically increased as the related limits provided by State law are increased).] In no event will the property insurance limits be less than the replacement cost with equipment of like kind and quality. [Lessee shall furnish to Lessor a certificate of insurance or, if Lessee has self-insured, a letter or certificate regarding such self-insurance to be sent to _____.]

Section 10.3 Damage to or Destruction of the Equipment. If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent of insurance proceeds (including self-insurance) and legally available funds repair or replace (at the Lessee's sole discretion), the same at Lessee's cost within a reasonable time after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the

Equipment is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement or if sufficient amounts are not available, such proceeds will be paid to Lessor to the extent of the then remaining principal balance of the related Rental Payments of this Lease plus accrued interest to the date of payment. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Assignment and Sublease by Lessee. Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment or the title thereto such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

Section 11.2 Assignment by Lessor. The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) written notice of any such assignment, transfer or other disposition is given to Lessee at least ten (10) days prior thereto (except that any assignment of this Lease at the time of execution thereof may be made by written notice at the time of execution); and (2) prior to any such assignment, transfer or other disposition, the name, address and the Federal Tax I.D. number of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease. Lessor shall pay all costs of such transfer and shall be responsible for notice to Lessee and provision to Lessee of the name, address and Federal Tax I.D. number of the assignee. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

Section 11.3 Lessor's Right to Perform for Lessee. If Lessee fails to make any payment or fails to satisfy any representations, covenant, warranty, or obligation under this Lease, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation on Lessee's behalf, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon at a rate of the interest rate then in effect on this Lease plus 5% or the maximum amount permitted by law, whichever is less, will be deemed to be additional rent payable by Lessee on Lessor's demand.

Section 11.4 Addresses. All notices to be given under this Lease will be made in writing and mailed by registered or certified mail, return receipt requested, (a) if to Lessee, at the Utah Transit Authority, 669 West 200 South, Salt Lake City, Utah

84101, Attention: Treasurer, and if to Lessor, at _____, until either Lessee or Lessor gives written notice to the other specifying a different address.

Section 11.5 Manner of Payment. All payments by Lessee to Lessor hereunder will be made by check or fed wire transfer, or by other manner mutually acceptable to Lessor and Lessee.

Section 11.6 Nonwaiver. No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation may be waived except by the written consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 Severance Clause. Any provision in this Lease which is prohibited by law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 Amendments. This Lease may be amended only by a written document signed by Lessor and Lessee.

Section 11.10 Inurement. Subject to the restrictions in Sections 11.1 and 11.2 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 Governing Law. This Lease is governed by the laws of the State of Utah, without giving effect to any choice of laws rules.

Section 11.12 Prevailing Party. In the event an action or other proceeding is filed with respect to the rights and obligations of the parties to this Lease, any judgment rendered in such action or proceeding shall, to the extent permitted by law, include a sum for attorney's fees in favor of the prevailing party.

Section 11.13 Offset. Rental 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 Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment.

Section 11.14 Interest. If any Rental Payment or other amount payable hereunder is not paid within 15 days of its due date, Lessee shall pay to Lessor, solely from and to the extent of legally available funds appropriated for such purpose, an administrative late charge of 5% of the amount not timely paid or the maximum amount permitted by law, whichever is less.

Section 11.15 Nature of this Agreement. Lessor and Lessee agree that it is their intention that, (a) for federal income tax purposes, the interest of Lessor in the Equipment is as a secured party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and (b) Lessor neither has nor will have any equity in the Equipment.

EXECUTED as of this ____ day of April 2017.

LESSEE:
UTAH TRANSIT AUTHORITY

By: _____
Name: Robert K. Biles
Title: Treasurer and CFO

LESSOR:

By: _____
Name: _____
Title: _____

APPENDIX A

<u>Description of Equipment and itemized costs:</u>
Closing Date: April ____, 2017
<u>Commencement Date:</u>
<u>Principal Amount:</u>
<u>Interest Rate or Rates:</u>
<u>Prepayment Options:</u>
The lease is subject to prepayment in whole or in part at the option of the Lessee on _____, 20__, or on any date thereafter, at the price of 100% of the remaining principal balance of the lease, as shown in <u>Appendix B</u> hererto.
<u>Acquisition Period:</u> [Fifteen (15) months from Commencement Date.]

APPENDIX C

OPINION OF LESSEE’S COUNSEL

To: _____

Gentlemen:

As counsel for the Utah Transit Authority (the “Lessee”), I have examined duly executed originals of the Equipment Lease Agreement (the “Lease”), dated April ____, 2017, between the Lessee and _____ (the “Lessor”), and the proceedings taken by the Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a public transit district legally existing under the laws of the State of Utah.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
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 Lessee’s execution of the Lease was authorized.
4. The Lease is a legal, valid and binding obligation of Lessee, enforceable 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 creditors’ rights generally.
5. The Lease is in accordance with and does not violated the usury statutes of the State of Utah, if any.
6. 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.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

Attorney for Lessee

APPENDIX D

ACCEPTANCE CERTIFICATE

To: _____

Reference is made to the Equipment Lease Agreement between the undersigned Utah Transit Authority (the "Lessee") and _____ (the "Lessor"), dated April ____, 2017 (the "Lease") and to the Equipment as such term is defined therein. 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 Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. [The serial or vehicle identification number for each item of Equipment which is set forth on Appendix A to the Lease is correct.]

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

DATE: _____.

LESSEE:
UTAH TRANSIT AUTHORITY

By: _____
Name:
Title:

Witness

APPENDIX E
TAX CERTIFICATE

APPENDIX F
FORM 8038-G

APPENDIX G

INTENT DECLARATION

(See Authorizing Resolution)

APPENDIX H

ESCROW AGREEMENT

EQUIPMENT LEASE-PURCHASE AGREEMENT
(5-Year)

This Equipment Lease-Purchase Agreement dated as of April ____, 2017, together with all amendments or supplements thereto (collectively, the "Lease") by and between _____, a corporation organized under the laws of State of _____ ("Lessor"), and the Utah Transit Authority (the "Lessee"), a public transit district existing under the laws of the State of Utah:

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEMISING CLAUSE; TITLE; SECURITY

Section 1.1 Agreement to Lease. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the Equipment (defined below), to have and to hold for the Term (defined below) of this Lease.

Section 1.2 Title. During the Term of this Lease, title to the Equipment will be transferred to, vested and held in the name of, Lessee, subject to retransfer to Lessor as provided in Section 3.4 and further subject to Lessee's right to exercise the Option provided in Article V hereof. Upon termination of this Lease pursuant to Sections 3.3(a) or 3.3(c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessee, who by this Lease appoints Lessor its irrevocable attorney in fact solely for the purpose of taking such action as is necessary to so transfer title to the Equipment to Lessor. Lessor at all times will have reasonable access to the Equipment during regular business hours for the purpose of inspection, alteration, and repair.

Section 1.3 Security. To secure the payment of all of Lessee's obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in (i) the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment, (ii) any moneys and investments held from time to time in the Escrow Account and (iii) any and all proceeds of the foregoing Equipment. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or advisable to establish and maintain its security interest in the Equipment. Under the laws of the State of Utah, such pledge and assignment and security interest is automatically perfected as provided in Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Equipment.

This Lease does not create any pledge of or lien on the revenues of the Lessee, including without limitation, the revenues pledged to any of its bonds, notes or other indebtedness and nothing in this Lease shall be construed to limit the ability of the Lessee

to issue bonds, notes or other indebtedness secured by its revenues or any of its assets other than a lien on the Equipment.

ARTICLE II

DEFINITIONS

In addition to the terms defined in Article I hereof, the terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

“Acquisition Amount” means \$3,585,300. The Acquisition Amount is represented by the Lessee to be sufficient, together with other funds (if any) that are legally available, for the purpose to acquire and install the Equipment.

“Code” means the Internal Revenue Code of 1986 as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“Commencement Date” shall mean the date when Lessee’s obligation to make payments commences hereunder and shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“Equipment” shall mean the property which Lessor is leasing to Lessee described generally in Appendix A attached hereto and as may be more fully described in each draw under the Escrow Agreement.

“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 successor and assigns.

“Escrow Agreement” means an [Escrow and Account Control Agreement] in form and substance acceptable to and executed by Lessee, Lessor and the Escrow Agent, pursuant to which the Escrow Account is established and administered.

“Event of Taxability” has the meaning assigned in Section 6.1(h).

“Option Purchase Price” shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V and the attached Appendix B.

“Original Term” shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

“Renewal Terms” shall mean all of the additional periods of one year (coextensive with Lessee’s fiscal year) for which this Lease shall be effective in the absence of a termination of the Lease as provided in Article III.

“Rental Payments” means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

“Taxable Rate” means the interest rate then in effect divided by [64.1%].

“Tax Certificate” means the Tax Agreement and Certificate to be executed by the Lessee in connection with this Lease, and attached thereto as Appendix E.

“Tax-Exempt Rental Payments” means Rental Payments related to this Lease, the interest portion of which is excludable from gross income for federal income tax purposes.

“Term” or “Term of this Lease” shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

“Vendor” shall mean the manufacturer of the Equipment and the manufacturer’s agent or dealer from whom Lessee purchased the Equipment.

ARTICLE III

LEASE TERM

Section 3.1 Commencement. The Term of this Lease shall commence as of the Commencement Date.

Section 3.2 Duration of Lease; Nonappropriation; Nonsubstitution. The Term of this Lease will continue until midnight on the last day of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be automatically extended for successive additional periods of one year coextensive with Lessee’s fiscal year as set forth in Appendix B (the “Renewal Terms”), unless this Lease is terminated as hereinafter provided.

The parties understand as long as Lessee has sufficient funds to make the Rental Payments hereunder, Lessee will keep this Lease in effect through all Renewal Terms and make all payments required herein or Lessee will exercise its option under Article V to purchase the Equipment. Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Lease Equipment which is the subject of this Lease to carry out and give effect to the public purpose of Lessee. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment (an “Event of Nonappropriation”) for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect; provided, however, that a

failure to give such written notice shall not constitute an event of default, result in any liability on the part of the Lessee or otherwise affect the termination of this Lease as set forth hereinabove.

If this Lease is terminated by Lessee due to an Event of Nonappropriation, the Lessee agrees not to purchase, lease or rent personal property to perform the same function or functions as those performed by the Equipment for a period of one hundred eighty (180) days succeeding such termination; provided, however, that these restrictions shall not be applicable if illegal or unenforceable under Utah law (as to which no opinion is expressed by Lessee or Lessee's counsel).

Section 3.3 Termination. This Lease will terminate upon the earliest to occur of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease wherein an Event of Nonappropriation has occurred resulting in a lack of funds to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein; or
- (d) upon the payment of all rental payments and all other amounts due hereunder.

Section 3.4 Return of Equipment Upon Termination. Upon termination of this Lease pursuant to Section 3.3(a) or (c), Lessee shall return the Equipment, freight and insurance prepaid, at Lessee's expense to a location designated by the Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof. In the event that Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession and the Rental Payments through the earlier of (i) actual repossession by Lessors or (ii) 30 days from the date of termination of this Lease. Lessee's obligations under the provisions of this Section are subject to and payable solely from funds appropriated for such purpose.

Section 3.5 Delivery and Installation. Delivery and installation specifics for the Equipment shall be performed in a reasonable and customary manner.

Section 3.6 Draw Down of Funds into Escrow Account. Upon closing of this Lease, the Lessor shall deposit \$3,585,300 into the Escrow Account.

Section 3.7 Acceptance Certificate. Upon delivery of all of the Equipment for use by the Lessee, the Lessee shall deliver the Acceptance Certificate in substantially the form of Appendix D hereto.

ARTICLE IV

RENTAL PAYMENTS

Section 4.1 Amount. Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms the Rental Payments on the dates and in the amounts set forth in Appendix B. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at Lessor's address set forth in Section 11.4 or to such other person or entity or at such other place as Lessor may from time to time designate by at least thirty (30) days advance written notice to Lessee.

Section 4.2 Portion of Rental Payments Attributable to Interest. The portion of each Rental Payment which is paid as and is representative of interest is set forth in Appendix B.

Section 4.3 No Right to Withhold. Notwithstanding any dispute between Lessee, Lessor, or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction. The obligation of Lessee to pay Rental Payments hereunder during the Original Term and any Renewal Term is absolute and unconditional and shall not be abated for any reason, subject to the right of the Lessee to terminate this lease at the conclusion of the Original Term or any Renewal Term due to an Event of Nonappropriation.

Section 4.4 Rental Payments to Constitute a Current Obligation of the Lessee. The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current 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 provision of the laws of the State of Utah or any section of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general credit of the Lessee, or any revenues or assets of Lessee to the payment of the Rental Payments, or the interest thereon, and this Lease shall not obligate the Lessee to apply any other money to the Rental Payments or any interest thereon.

ARTICLE V

PURCHASE OF EQUIPMENT

Section 5.1 Option Purchase Price. Lessee shall have the option (the "Option") to purchase the Equipment from Lessor at a price equal to the Option Purchase Price (as set forth on Appendix B), plus accrued and unpaid interest (if any) and any rental payments due on the date of purchase.

Section 5.2 Manner of Exercise of Option. To exercise the Option, Lessee must deliver to Lessor written notice specifying the date on which the related Equipment is to be purchased, which notice must be delivered to Lessor at least thirty (30) days prior to the date of purchase specified therein. At the closing of the Option and upon payment of the Option Purchase Price, Lessor will deliver to Lessee all documents necessary to clear and release any related lien, encumbrance or security interest created by or arising through Lessor or this Lease

Section 5.3 Conditions of Exercise of Option. Lessee may purchase the Equipment pursuant to the Option only if Lessee is not in default in the payment of Rental Payments, in accordance with the provisions of this Lease (or has remedied any defaults).

Section 5.4 Termination Purchase. Upon the expiration of the Term of the Lease as stated in Section 3.3(d) and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased all of the Equipment (without the payment of additional sums and without any notice required by Section 5.2) and shall be vested with all rights and title to all of the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section 5.4, it shall deliver to Lessee the documents specified in Section 5.2.

ARTICLE VI

REPRESENTATIONS, COVENANTS, AND WARRANTIES OF LESSEE AND LESSOR

Section 6.1 Representations, Covenants and Warranties of Lessee. Lessee represents, covenants, and warrants as follows:

(a) Lessee is a public transit district, duly organized and existing under the Constitution and laws of the State of Utah.

(b) Lessee is authorized by the Constitution and laws of the State of Utah to enter into this Lease and to effect all of Lessee's obligations hereunder. To the knowledge of the undersigned, there is no litigation or other proceeding challenging in any way Lessee's authority to execute this Lease and perform its obligations hereunder. To the knowledge of the undersigned, the execution and delivery of this Lease by Lessee and the performance of Lessee's obligations hereunder does not conflict with or constitute a breach of or default under, (with or without notice or lapse of time), any other instrument to which Lessee is a part.

(c) All procedures and requirements, including any public bidding requirements, required to be met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease have been met and all Rental Payments and other payment obligations will be paid out of funds legally available for such purpose.

(d) The letter attached to this Lease as Appendix C is a true opinion of Lessee's counsel.

(e) Lessee will use and service the Equipment in accordance with Vendor's written instructions, if any, provided to Lessee.

(f) During the Term of this Lease, the Lessee shall comply with the Tax Certificate, if any, and the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

(g) Equipment related to Tax-Exempt Rental Payments shall be used solely by Lessee and shall not be subject to any direct or indirect private business use or to make any loans.

(h) Lessee agrees that it will not take any action that would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes. Upon the occurrence of an Event of Taxability with respect to this Lease, the interest component of Rental Payments under such Lease and any charge on Rental Payments or other amounts payable based on the interest rate described herein shall have accrued and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in Lessor receiving the interest component at the Taxable Rate. For purposes of this Section, "Event of Taxability" means the circumstance of the interest component of any Rental Payment paid or payable pursuant to this Lease becoming includible for federal income tax purposes in Lessor's gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of Lessee. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; or (c) receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rental Payment under this Lease has

become includable in the gross income of Lessor for federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest component of any Rental Payment is deemed includable in the gross income of the owner thereof for federal income tax purposes.

(i) With relation to Tax-Exempt Rental Payments, this Lease constitutes neither (i) a private activity bond, as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”) nor (ii) an arbitrage bond, as defined in Section 148 of the Code.

(j) For Tax-Exempt Rental Payments the obligations of Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(k) With relation to Tax-Exempt Rental Payments in compliance with Section 149(e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038-G or 8038-GC, as appropriate, (form attached as Appendix F).

(l) The Lessee covenants and certifies to and for the benefit of the Lessor that no use will be made of any of the proceeds of the issuance and sale of the Lease or any funds or accounts of the Lessee which may be deemed to be available proceeds of the Lease, pursuant to Section 148 of the Code, and applicable Treasury Regulations (promulgated or proposed) thereunder, which use, if it had been reasonably expected on the date of issuance of the Lease, would have caused the Lease to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Lessee obligates itself to comply throughout the term of the Lease with the requirements of Section 148 of the Code and the Treasury Regulations proposed or promulgated thereunder as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. [The Lessee further represents and covenants that, except as provided in the Tax Certificate, no federal tax exempt bonds or other federal tax exempt evidences of indebtedness of the Lessee have been or will be issued, sold or delivered pursuant to a common plan of finance with this Lease within a period beginning 15 days prior to the pricing of the Lease and ending 15 days following the delivery of the Lease. Additional representations and covenants of the Lessee with respect to matters governed by the Code and Treasury Regulations relating to the Tax-Exempt Rental Payments, including without limitation Treasury Regulations Sections 1.148-1 through 1.148-11, Section 1.149 and Sections 1.150-1 and 1.150-2, will be set forth in the Tax Certificate attached hereto.]

(m) With relation to Tax-Exempt Rental Payments no portion of the proceeds of this Lease will be used to refund any other obligation.

(n) With relation to Tax-Exempt Rental Payments, except for capital expenditures (i) contemplated by the Declaration of Official Intent attached hereto as Appendix G and (ii) paid after the date of the Declaration of Official Intent (or within 60 days prior to the date thereof), no proceeds of this Lease will be used to reimburse amounts expended prior to the closing date described herein.

(o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.

(p) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations.

(q) The Lessee shall have available for the Lessor's inspection a copy of its audited financial statements within one-hundred eighty (180) days of its fiscal year end, unless due to circumstances reasonably outside of its control said statements cannot be completed within one-hundred eighty (180) days. In such event, unless reasonably agreed to otherwise by Lessor, audited financial statements shall be made available within two-hundred-twenty (220) days of its fiscal year end.

Section 6.2 Representations, Covenants and Warranties of Lessor.
Lessor represents, covenants, and warrants as follows:

(i) During the Term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor or through Lessor, except upon the occurrence of the events described in Section 3.3 (a) or (c) of this Lease.

(ii) Lessee has ordered the Equipment and Lessor shall lease the same to Lessee as herein provided, Lessor's role being the facilitation of the financing of the Equipment for the Lessee. FOR PURPOSE OF THIS LEASE AND OF ANY PURCHASE OF THE EQUIPMENT EFFECTED UNDER THIS LEASE, LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT IN ANY RESPECT, AND ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED. LESSOR WILL NOT BE LIABLE TO LESSEE FOR ANY

LIABILITY, LOSS, OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY INADEQUACY, DEFICIENCY, OR DEFECT IN THE EQUIPMENT, OR BY ANY USE OF THE EQUIPMENT, WHATSOEVER. Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and authorizes Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee's expense.

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 "Event of Default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder within fifteen (15) days of the time specified herein.

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 20 days (10 days in the case of a failure to comply with Section 10.2 hereof) after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, or (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding.

(d) An order, judgment or decree shall be entered into by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to an Event of Nonappropriation; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof and Section 10.2 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State of Utah or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

Section 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor 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) With or without terminating this Lease, retake possession of the Equipment or by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee’s expense, promptly return the Equipment to Lessor in the manner set forth in Section 3.4 hereof and Lessor may sell, lease or otherwise dispose of the Equipment;

(b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Lease or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account; and

(c) Terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Rental Payments due hereunder; and

(d) With or without terminating this Lease, declare all Rental Payments due during the Original Term or Renewal Term in effect on the date of the default to be immediately due and payable whereupon such Rental Payments shall be due and payable, but solely from legally available funds appropriated for such purpose.

Any amount realized upon a sale, lease or other disposition of the Equipment or from the exercise of any other remedies hereunder shall be applied as follows:

First: To pay all reasonable expenses of the repossession and/or disposition of the Equipment;

Second: To the payment of all principal (using for this purpose the Option Purchase Price) and interest (accrued to the date of payment) owing Lessor hereunder, and

Third: Any excess shall be returned to Lessee as an overpayment of rent hereunder.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor 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 Lessor to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

Section 7.4 No Deficiency Judgment. Anything in this Lease to the contrary notwithstanding, the remedies of Lessor hereunder shall be limited to repossession and disposal of the Equipment and no judgment for any deficiency or any other amounts owing hereunder shall be entered against Lessee except with respect to the Rental Payments due during the Original Term or Renewal Term in effect on the date of the default, but then solely from legally available funds appropriated for such purpose.

Section 7.5 Waiver of Certain Damages. With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

ARTICLE VIII

PAYMENT OF TAXES, FEES, PERMITS, AND UTILITY SERVICES

Section 8.1 Interpretation. This Lease for all purposes will be treated as a net lease.

Section 8.2 Taxes and Fees. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition, except any federal or state income taxes payable by Lessor on such rental or earnings. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

Section 8.3 Permits. Lessee will obtain all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation,

ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.

Section 8.4 Utilities. Lessee will pay all charges for fuel, water, steam, electricity, light, heat, power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the Term of this Lease. There will be no abatement of rent on account of the interruption of any such services.

ARTICLE IX

USE, REPAIRS, ALTERATIONS, AND LIENS

Section 9.1 Use; Personal Property. Lessee has not (or, as applicable, will not) install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property notwithstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 9.2 Repairs. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed, damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 Alterations. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such miscellaneous equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease, restores the Equipment to its function and manner of operation in existence prior to the installation of such miscellaneous equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous equipment which may

be removed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 Liens. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

ARTICLE X

INDEMNIFICATION, INSURANCE, AND DAMAGE TO OR DESTRUCTION OF THE EQUIPMENT

Section 10.1 Indemnification. Lessee shall, to the extent permitted by law, indemnify and hold Lessor harmless from and against any and all claims, liabilities, damages and expenses, including reasonable attorneys' fees, to the extent caused by Lessee's negligence in the use, operation, ownership or possession of the Equipment, including claims for property damage, personal injury or wrongful death, and excluding any claims, liabilities, damages and expenses arising out of the negligent acts or omissions of Lessor. Lessee is a governmental entity under the Governmental Immunity Act of Utah (the "Act"). Nothing in this Agreement may be construed as a waiver of any rights or defenses otherwise applicable to Lessee pursuant to the Act. Indemnification is limited to the amounts established in Section 63G-7-604 of the Act.

Section 10.2 Insurance. Lessee shall, at its sole discretion, either self-insure or maintain at all times during the Lease Term comprehensive general liability and property damage insurance with respect to the Lessee's operation or possession of the Equipment. [The comprehensive general liability insurance limits shall be at least \$703,000 per person and \$2,407,000 per occurrence for bodily injury and \$281,300 for property damage liability (such limits to be automatically increased as the related limits provided by State law are increased).] In no event will the property insurance limits be less than the replacement cost with equipment of like kind and quality. [Lessee shall furnish to Lessor a certificate of insurance or, if Lessee has self-insured, a letter or certificate regarding such self-insurance to be sent to _____.]

Section 10.3 Damage to or Destruction of the Equipment. If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent of insurance proceeds (including self-insurance) and legally available funds repair or replace (at the Lessee's sole discretion), the same at Lessee's cost within a reasonable time after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the

Equipment is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement or if sufficient amounts are not available, such proceeds will be paid to Lessor to the extent of the then remaining principal balance of the related Rental Payments of this Lease plus accrued interest to the date of payment. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Assignment and Sublease by Lessee. Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment or the title thereto such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

Section 11.2 Assignment by Lessor. The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) written notice of any such assignment, transfer or other disposition is given to Lessee at least ten (10) days prior thereto (except that any assignment of this Lease at the time of execution thereof may be made by written notice at the time of execution); and (2) prior to any such assignment, transfer or other disposition, the name, address and the Federal Tax I.D. number of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease. Lessor shall pay all costs of such transfer and shall be responsible for notice to Lessee and provision to Lessee of the name, address and Federal Tax I.D. number of the assignee. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

Section 11.3 Lessor's Right to Perform for Lessee. If Lessee fails to make any payment or fails to satisfy any representations, covenant, warranty, or obligation under this Lease, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation on Lessee's behalf, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon at a rate of the interest rate then in effect on this Lease plus 5% or the maximum amount permitted by law, whichever is less, will be deemed to be additional rent payable by Lessee on Lessor's demand.

Section 11.4 Addresses. All notices to be given under this Lease will be made in writing and mailed by registered or certified mail, return receipt requested, (a) if to Lessee, at the Utah Transit Authority, 669 West 200 South, Salt Lake City, Utah

84101, Attention: Treasurer, and if to Lessor, at _____, until either Lessee or Lessor gives written notice to the other specifying a different address.

Section 11.5 Manner of Payment. All payments by Lessee to Lessor hereunder will be made by check or fed wire transfer, or by other manner mutually acceptable to Lessor and Lessee.

Section 11.6 Nonwaiver. No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation may be waived except by the written consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 Severance Clause. Any provision in this Lease which is prohibited by law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 Amendments. This Lease may be amended only by a written document signed by Lessor and Lessee.

Section 11.10 Inurement. Subject to the restrictions in Sections 11.1 and 11.2 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 Governing Law. This Lease is governed by the laws of the State of Utah, without giving effect to any choice of laws rules.

Section 11.12 Prevailing Party. In the event an action or other proceeding is filed with respect to the rights and obligations of the parties to this Lease, any judgment rendered in such action or proceeding shall, to the extent permitted by law, include a sum for attorney's fees in favor of the prevailing party.

Section 11.13 Offset. Rental 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 Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment.

Section 11.14 Interest. If any Rental Payment or other amount payable hereunder is not paid within 15 days of its due date, Lessee shall pay to Lessor, solely from and to the extent of legally available funds appropriated for such purpose, an administrative late charge of 5% of the amount not timely paid or the maximum amount permitted by law, whichever is less.

Section 11.15 Nature of this Agreement. Lessor and Lessee agree that it is their intention that, (a) for federal income tax purposes, the interest of Lessor in the Equipment is as a secured party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and (b) Lessor neither has nor will have any equity in the Equipment.

EXECUTED as of this ____ day of April 2017.

LESSEE:
UTAH TRANSIT AUTHORITY

By: _____
Name: Robert K. Biles
Title: Treasurer and CFO

LESSOR:

By: _____
Name: _____
Title: _____

APPENDIX A

<u>Description of Equipment and itemized costs:</u>
Closing Date: April ____, 2017
<u>Commencement Date:</u>
<u>Principal Amount:</u>
<u>Interest Rate or Rates:</u>
<u>Prepayment Options:</u>
The lease is subject to prepayment in whole or in part at the option of the Lessee on _____, 20__, or on any date thereafter, at the price of 100% of the remaining principal balance of the lease, as shown in <u>Appendix B</u> hererto.
<u>Acquisition Period:</u> [Fifteen (15) months from Commencement Date.]

APPENDIX C

OPINION OF LESSEE’S COUNSEL

To: _____

Gentlemen:

As counsel for the Utah Transit Authority (the “Lessee”), I have examined duly executed originals of the Equipment Lease Agreement (the “Lease”), dated April ____, 2017, between the Lessee and _____ (the “Lessor”), and the proceedings taken by the Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a public transit district legally existing under the laws of the State of Utah.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
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 Lessee’s execution of the Lease was authorized.
4. The Lease is a legal, valid and binding obligation of Lessee, enforceable 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 creditors’ rights generally.
5. The Lease is in accordance with and does not violated the usury statutes of the State of Utah, if any.
6. 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.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

Attorney for Lessee

APPENDIX D

ACCEPTANCE CERTIFICATE

To: _____

Reference is made to the Equipment Lease Agreement between the undersigned Utah Transit Authority (the "Lessee") and _____ (the "Lessor"), dated April ____, 2017 (the "Lease") and to the Equipment as such term is defined therein. 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 Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.

4. [The serial or vehicle identification number for each item of Equipment which is set forth on Appendix A to the Lease is correct.]

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

DATE: _____.

LESSEE:
UTAH TRANSIT AUTHORITY

By: _____
Name:
Title:

Witness

APPENDIX E
TAX CERTIFICATE

APPENDIX F

FORM 8038-G

APPENDIX G

INTENT DECLARATION

(See Authorizing Resolution)

APPENDIX H

ESCROW AGREEMENT

EQUIPMENT LEASE-PURCHASE AGREEMENT
(12-Year)

This Equipment Lease-Purchase Agreement dated as of April ____, 2017, together with all amendments or supplements thereto (collectively, the "Lease") by and between _____, a corporation organized under the laws of State of _____ ("Lessor"), and the Utah Transit Authority (the "Lessee"), a public transit district existing under the laws of the State of Utah:

NOW THEREFORE, for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

ARTICLE I

DEMISING CLAUSE; TITLE; SECURITY

Section 1.1 Agreement to Lease. Lessor hereby demises, leases, and lets to Lessee and Lessee rents, leases and hires from Lessor, the Equipment (defined below), to have and to hold for the Term (defined below) of this Lease.

Section 1.2 Title. During the Term of this Lease, title to the Equipment will be transferred to, vested and held in the name of, Lessee, subject to retransfer to Lessor as provided in Section 3.4 and further subject to Lessee's right to exercise the Option provided in Article V hereof. Upon termination of this Lease pursuant to Sections 3.3(a) or 3.3(c), title to the Equipment will transfer automatically to Lessor without the need for any further action on the part of Lessee, who by this Lease appoints Lessor its irrevocable attorney in fact solely for the purpose of taking such action as is necessary to so transfer title to the Equipment to Lessor. Lessor at all times will have reasonable access to the Equipment during regular business hours for the purpose of inspection, alteration, and repair.

Section 1.3 Security. To secure the payment of all of Lessee's obligations to Lessor under this Lease, Lessee grants to Lessor a security interest in (i) the Equipment and in all additions, attachments, accessions, and substitutions to or for the Equipment, (ii) any moneys and investments held from time to time in the Escrow Account and (iii) any and all proceeds of the foregoing Equipment. Lessee agrees to execute such additional documents, including financing statements, affidavits, notices, and similar instruments, in form satisfactory to Lessor, which Lessor deems necessary or advisable to establish and maintain its security interest in the Equipment. Under the laws of the State of Utah, such pledge and assignment and security interest is automatically perfected as provided in Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Equipment.

This Lease does not create any pledge of or lien on the revenues of the Lessee, including without limitation, the revenues pledged to any of its bonds, notes or other indebtedness and nothing in this Lease shall be construed to limit the ability of the Lessee

to issue bonds, notes or other indebtedness secured by its revenues or any of its assets other than a lien on the Equipment.

ARTICLE II

DEFINITIONS

In addition to the terms defined in Article I hereof, the terms defined in this Article II shall, for purposes of this Lease, have the meaning herein specified unless the context clearly otherwise requires:

“Acquisition Amount” means \$25,116,614. The Acquisition Amount is represented by the Lessee to be sufficient, together with other funds (if any) that are legally available, for the purpose to acquire and install the Equipment.

“Code” means the Internal Revenue Code of 1986 as amended. Each reference to a section of the Code herein shall be deemed to include the United States Treasury Regulations proposed or in effect thereunder.

“Commencement Date” shall mean the date when Lessee’s obligation to make payments commences hereunder and shall be the date on which the Acquisition Amount is deposited with the Escrow Agent.

“Equipment” shall mean the property which Lessor is leasing to Lessee described generally in Appendix A attached hereto and as may be more fully described in each draw under the Escrow Agreement.

“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 successor and assigns.

“Escrow Agreement” means an [Escrow and Account Control Agreement] in form and substance acceptable to and executed by Lessee, Lessor and the Escrow Agent, pursuant to which the Escrow Account is established and administered.

“Event of Taxability” has the meaning assigned in Section 6.1(h).

“Option Purchase Price” shall mean the amount which Lessee must pay Lessor to purchase the Equipment, as determined by Article V and the attached Appendix B.

“Original Term” shall mean the period from the Commencement Date until the end of the fiscal year of Lessee in effect at the Commencement Date, as set forth in Section 3.2.

“Renewal Terms” shall mean all of the additional periods of one year (coextensive with Lessee’s fiscal year) for which this Lease shall be effective in the absence of a termination of the Lease as provided in Article III.

“Rental Payments” means the rental payments payable by Lessee pursuant to the provisions of this Lease during the Term hereof.

“Taxable Rate” means the interest rate then in effect divided by [64.1%].

“Tax Certificate” means the Tax Agreement and Certificate to be executed by the Lessee in connection with this Lease, and attached thereto as Appendix E.

“Tax-Exempt Rental Payments” means Rental Payments related to this Lease, the interest portion of which is excludable from gross income for federal income tax purposes.

“Term” or “Term of this Lease” shall mean the Original Term and all Renewal Terms provided for in this Lease under Section 3.2.

“Vendor” shall mean the manufacturer of the Equipment and the manufacturer’s agent or dealer from whom Lessee purchased the Equipment.

ARTICLE III

LEASE TERM

Section 3.1 Commencement. The Term of this Lease shall commence as of the Commencement Date.

Section 3.2 Duration of Lease; Nonappropriation; Nonsubstitution. The Term of this Lease will continue until midnight on the last day of the fiscal year of Lessee in effect at the Commencement Date (the “Original Term”). Thereafter, this Lease will be automatically extended for successive additional periods of one year coextensive with Lessee’s fiscal year as set forth in Appendix B (the “Renewal Terms”), unless this Lease is terminated as hereinafter provided.

The parties understand as long as Lessee has sufficient funds to make the Rental Payments hereunder, Lessee will keep this Lease in effect through all Renewal Terms and make all payments required herein or Lessee will exercise its option under Article V to purchase the Equipment. Lessee hereby declares that, as of the date of the execution of this Lease, Lessee currently has an essential need for the Lease Equipment which is the subject of this Lease to carry out and give effect to the public purpose of Lessee. Lessee reasonably believes that it will have a need for the Equipment for the duration of the Original Term and all Renewal Terms. If Lessee does not appropriate funds to continue the leasing of the Equipment (an “Event of Nonappropriation”) for any ensuing Renewal Term, this Lease will terminate upon the expiration of the Original or Renewal Term then in effect and Lessee shall notify Lessor of such termination at least ten (10) days prior to the expiration of the Original or Renewal Term then in effect; provided, however, that a

failure to give such written notice shall not constitute an event of default, result in any liability on the part of the Lessee or otherwise affect the termination of this Lease as set forth hereinabove.

If this Lease is terminated by Lessee due to an Event of Nonappropriation, the Lessee agrees not to purchase, lease or rent personal property to perform the same function or functions as those performed by the Equipment for a period of one hundred eighty (180) days succeeding such termination; provided, however, that these restrictions shall not be applicable if illegal or unenforceable under Utah law (as to which no opinion is expressed by Lessee or Lessee's counsel).

Section 3.3 Termination. This Lease will terminate upon the earliest to occur of any of the following events:

- (a) the expiration of the Original Term or any Renewal Term of this Lease wherein an Event of Nonappropriation has occurred resulting in a lack of funds to continue the leasing of the Equipment for the ensuing Renewal Term;
- (b) the exercise by Lessee of any option to purchase granted in this Lease by which Lessee purchases all of the Equipment;
- (c) a default by Lessee and Lessor's election to terminate this Lease under Article VII herein; or
- (d) upon the payment of all rental payments and all other amounts due hereunder.

Section 3.4 Return of Equipment Upon Termination. Upon termination of this Lease pursuant to Section 3.3(a) or (c), Lessee shall return the Equipment, freight and insurance prepaid, at Lessee's expense to a location designated by the Lessor in the condition, repair, appearance and working order required in Section 9.2 hereof. In the event that Lessee refuses to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge to Lessee the costs of such repossession and the Rental Payments through the earlier of (i) actual repossession by Lessors or (ii) 30 days from the date of termination of this Lease. Lessee's obligations under the provisions of this Section are subject to and payable solely from funds appropriated for such purpose.

Section 3.5 Delivery and Installation. Delivery and installation specifics for the Equipment shall be performed in a reasonable and customary manner.

Section 3.6 Draw Down of Funds into Escrow Account. Upon closing of this Lease, the Lessor shall deposit \$25,116,614 into the Escrow Account.

Section 3.7 Acceptance Certificate. Upon delivery of all of the Equipment for use by the Lessee, the Lessee shall deliver the Acceptance Certificate in substantially the form of Appendix D hereto.

ARTICLE IV

RENTAL PAYMENTS

Section 4.1 Amount. Lessee will pay Lessor as rent for the use of the Equipment during the Original Term and any Renewal Terms the Rental Payments on the dates and in the amounts set forth in Appendix B. All Rental Payments shall be paid, exclusively from legally available funds, in lawful money of the United States of America to Lessor at Lessor's address set forth in Section 11.4 or to such other person or entity or at such other place as Lessor may from time to time designate by at least thirty (30) days advance written notice to Lessee.

Section 4.2 Portion of Rental Payments Attributable to Interest. The portion of each Rental Payment which is paid as and is representative of interest is set forth in Appendix B.

Section 4.3 No Right to Withhold. Notwithstanding any dispute between Lessee, Lessor, or any other party, Lessee will make all Rental Payments when due, without withholding any portion of such rent, pending final resolution of such dispute by mutual agreement between the parties thereto or by a court of competent jurisdiction. The obligation of Lessee to pay Rental Payments hereunder during the Original Term and any Renewal Term is absolute and unconditional and shall not be abated for any reason, subject to the right of the Lessee to terminate this lease at the conclusion of the Original Term or any Renewal Term due to an Event of Nonappropriation.

Section 4.4 Rental Payments to Constitute a Current Obligation of the Lessee. The Lessee and the Lessor acknowledge and agree that the obligation of the Lessee to pay Rental Payments hereunder constitutes a current 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 provision of the laws of the State of Utah or any section of the Utah Constitution, or any other constitutional or statutory limitation or requirement applicable to the Lessee concerning the creation of indebtedness. The Lessee has not hereby pledged the general credit of the Lessee, or any revenues or assets of Lessee to the payment of the Rental Payments, or the interest thereon, and this Lease shall not obligate the Lessee to apply any other money to the Rental Payments or any interest thereon.

ARTICLE V

PURCHASE OF EQUIPMENT

Section 5.1 Option Purchase Price. Lessee shall have the option (the "Option") to purchase the Equipment from Lessor at a price equal to the Option Purchase Price (as set forth on Appendix B), plus accrued and unpaid interest (if any) and any rental payments due on the date of purchase.

Section 5.2 Manner of Exercise of Option. To exercise the Option, Lessee must deliver to Lessor written notice specifying the date on which the related Equipment is to be purchased, which notice must be delivered to Lessor at least thirty (30) days prior to the date of purchase specified therein. At the closing of the Option and upon payment of the Option Purchase Price, Lessor will deliver to Lessee all documents necessary to clear and release any related lien, encumbrance or security interest created by or arising through Lessor or this Lease

Section 5.3 Conditions of Exercise of Option. Lessee may purchase the Equipment pursuant to the Option only if Lessee is not in default in the payment of Rental Payments, in accordance with the provisions of this Lease (or has remedied any defaults).

Section 5.4 Termination Purchase. Upon the expiration of the Term of the Lease as stated in Section 3.3(d) and provided that the conditions of Section 5.3 have been satisfied, Lessee shall be deemed to have purchased all of the Equipment (without the payment of additional sums and without any notice required by Section 5.2) and shall be vested with all rights and title to all of the Equipment. Lessor agrees that upon the occurrence of the events as provided in this Section 5.4, it shall deliver to Lessee the documents specified in Section 5.2.

ARTICLE VI

REPRESENTATIONS, COVENANTS, AND WARRANTIES OF LESSEE AND LESSOR

Section 6.1 Representations, Covenants and Warranties of Lessee. Lessee represents, covenants, and warrants as follows:

(a) Lessee is a public transit district, duly organized and existing under the Constitution and laws of the State of Utah.

(b) Lessee is authorized by the Constitution and laws of the State of Utah to enter into this Lease and to effect all of Lessee's obligations hereunder. To the knowledge of the undersigned, there is no litigation or other proceeding challenging in any way Lessee's authority to execute this Lease and perform its obligations hereunder. To the knowledge of the undersigned, the execution and delivery of this Lease by Lessee and the performance of Lessee's obligations hereunder does not conflict with or constitute a breach of or default under, (with or without notice or lapse of time), any other instrument to which Lessee is a part.

(c) All procedures and requirements, including any public bidding requirements, required to be met by Lessee prior to the execution of this Lease in order to insure the enforceability of this Lease have been met and all Rental Payments and other payment obligations will be paid out of funds legally available for such purpose.

(d) The letter attached to this Lease as Appendix C is a true opinion of Lessee's counsel.

(e) Lessee will use and service the Equipment in accordance with Vendor's written instructions, if any, provided to Lessee.

(f) During the Term of this Lease, the Lessee shall comply with the Tax Certificate, if any, and the Equipment will be used by Lessee only for the purpose of performing one or more governmental or proprietary functions of Lessee consistent with the permissible scope of Lessee's authority.

(g) Equipment related to Tax-Exempt Rental Payments shall be used solely by Lessee and shall not be subject to any direct or indirect private business use or to make any loans.

(h) Lessee agrees that it will not take any action that would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes, nor will it omit to take or cause to be taken, in a timely manner, any action, which omission would cause the interest component of Tax-Exempt Rental Payments to be or to become ineligible for the exclusion from gross income of Lessor for federal income tax purposes. Upon the occurrence of an Event of Taxability with respect to this Lease, the interest component of Rental Payments under such Lease and any charge on Rental Payments or other amounts payable based on the interest rate described herein shall have accrued and be payable at the Taxable Rate retroactive to the date as of which the interest component is determined by the Internal Revenue Service to be includible in the gross income of the owner or owners thereof for federal income tax purposes, and Lessee will pay such additional amount as will result in Lessor receiving the interest component at the Taxable Rate. For purposes of this Section, "Event of Taxability" means the circumstance of the interest component of any Rental Payment paid or payable pursuant to this Lease becoming includible for federal income tax purposes in Lessor's gross income as a consequence of any act, omission or event whatsoever, including but not limited to the matters described in the immediately succeeding sentence, and regardless of whether the same was within or beyond the control of Lessee. An Event of Taxability shall be presumed to have occurred upon (a) the receipt by Lessor or Lessee of an original or a copy of an Internal Revenue Service Technical Advice Memorandum or Statutory Notice of Deficiency or other written correspondence which legally holds that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; (b) the issuance of any public or private ruling of the Internal Revenue Service that the interest component of any Rental Payment under this Lease is includable in the gross income of Lessor; or (c) receipt by Lessor or Lessee of a written opinion of a nationally recognized firm of attorneys experienced in matters pertaining to the tax exempt status of interest on obligations issued by states and their political subdivisions, selected by Lessor and acceptable to Lessee, to the effect that the interest component of any Rental Payment under this Lease has

become includable in the gross income of Lessor for federal income tax purposes. For all purposes of this definition, an Event of Taxability shall be deemed to occur on the date as of which the interest component of any Rental Payment is deemed includable in the gross income of the owner thereof for federal income tax purposes.

(i) With relation to Tax-Exempt Rental Payments, this Lease constitutes neither (i) a private activity bond, as defined in Section 141 of the Internal Revenue Code of 1986, as amended (the “Code”) nor (ii) an arbitrage bond, as defined in Section 148 of the Code.

(j) For Tax-Exempt Rental Payments the obligations of Lessee under this Lease are not federally guaranteed within the meaning of Section 149(b) of the Code.

(k) With relation to Tax-Exempt Rental Payments in compliance with Section 149(e) of the Code relating to information reporting, Lessee has caused or will cause to be filed with the Internal Revenue Service, IRS form 8038-G or 8038-GC, as appropriate, (form attached as Appendix F).

(l) The Lessee covenants and certifies to and for the benefit of the Lessor that no use will be made of any of the proceeds of the issuance and sale of the Lease or any funds or accounts of the Lessee which may be deemed to be available proceeds of the Lease, pursuant to Section 148 of the Code, and applicable Treasury Regulations (promulgated or proposed) thereunder, which use, if it had been reasonably expected on the date of issuance of the Lease, would have caused the Lease to be classified as an “arbitrage bond” within the meaning of Section 148 of the Code. Pursuant to this covenant, the Lessee obligates itself to comply throughout the term of the Lease with the requirements of Section 148 of the Code and the Treasury Regulations proposed or promulgated thereunder as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. [The Lessee further represents and covenants that, except as provided in the Tax Certificate, no federal tax exempt bonds or other federal tax exempt evidences of indebtedness of the Lessee have been or will be issued, sold or delivered pursuant to a common plan of finance with this Lease within a period beginning 15 days prior to the pricing of the Lease and ending 15 days following the delivery of the Lease. Additional representations and covenants of the Lessee with respect to matters governed by the Code and Treasury Regulations relating to the Tax-Exempt Rental Payments, including without limitation Treasury Regulations Sections 1.148-1 through 1.148-11, Section 1.149 and Sections 1.150-1 and 1.150-2, will be set forth in the Tax Certificate attached hereto.]

(m) With relation to Tax-Exempt Rental Payments no portion of the proceeds of this Lease will be used to refund any other obligation.

(n) With relation to Tax-Exempt Rental Payments, except for capital expenditures (i) contemplated by the Declaration of Official Intent attached hereto as Appendix G and (ii) paid after the date of the Declaration of Official Intent (or within 60 days prior to the date thereof), no proceeds of this Lease will be used to reimburse amounts expended prior to the closing date described herein.

(o) During the term of this Lease, Lessee covenants and agrees (1) to include in its annual tentative budget prepared by the appropriate officials acting on behalf of Lessee in accordance with applicable law an item for expenditure of an amount necessary to pay the Rental Payments for the Equipment during the next succeeding Renewal Term, and (2) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that the final budget submitted to the governing body of Lessee for its consideration seeks an appropriation of moneys sufficient to pay such Rental Payments.

(p) Lessee has never non-appropriated or defaulted under any of its payment or performance covenants, either under any municipal lease of the same general nature as this Lease or under any of its bonds, notes or other debt obligations.

(q) The Lessee shall have available for the Lessor's inspection a copy of its audited financial statements within one-hundred eighty (180) days of its fiscal year end, unless due to circumstances reasonably outside of its control said statements cannot be completed within one-hundred eighty (180) days. In such event, unless reasonably agreed to otherwise by Lessor, audited financial statements shall be made available within two-hundred-twenty (220) days of its fiscal year end.

Section 6.2 Representations, Covenants and Warranties of Lessor.
Lessor represents, covenants, and warrants as follows:

(i) During the Term of this Lease, Lessor will provide Lessee with quiet use and enjoyment of the Equipment, without suit, trouble, or hindrance from Lessor or through Lessor, except upon the occurrence of the events described in Section 3.3 (a) or (c) of this Lease.

(ii) Lessee has ordered the Equipment and Lessor shall lease the same to Lessee as herein provided, Lessor's role being the facilitation of the financing of the Equipment for the Lessee. FOR PURPOSE OF THIS LEASE AND OF ANY PURCHASE OF THE EQUIPMENT EFFECTED UNDER THIS LEASE, LESSOR EXPRESSLY DISCLAIMS ANY WARRANTY WITH RESPECT TO THE CONDITION, QUALITY, DURABILITY, SUITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE EQUIPMENT IN ANY RESPECT, AND ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED. LESSOR WILL NOT BE LIABLE TO LESSEE FOR ANY

LIABILITY, LOSS, OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED, DIRECTLY OR INDIRECTLY, BY ANY INADEQUACY, DEFICIENCY, OR DEFECT IN THE EQUIPMENT, OR BY ANY USE OF THE EQUIPMENT, WHATSOEVER. Lessor assigns to Lessee, without recourse, for the Term of this Lease all manufacturer warranties and guarantees, express or implied, pertinent to the Equipment, and authorizes Lessee to obtain the customary services furnished in connection with such guarantees and warranties at Lessee's expense.

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 "Event of Default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(a) Failure by Lessee to pay any Rental Payment or other payment required to be paid hereunder within fifteen (15) days of the time specified herein.

(b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 7.1 (a), for a period of 20 days (10 days in the case of a failure to comply with Section 10.2 hereof) after written notice, specifying such failure and requesting that it be remedied, is given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(c) Lessee shall (i) apply for or consent to the appointment of a receiver, trustee, custodian or liquidator of Lessee, or of all or a substantial part of the assets of Lessee, (ii) be unable, fail or admit in writing its inability generally to pay its debts as they become due, (iii) make a general assignment for the benefit of creditors, or (iv) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or taking advantage of any insolvency law or any answer admitting the material allegations of a petition filed against Lessee in any bankruptcy, reorganization or insolvency proceeding.

(d) An order, judgment or decree shall be entered into by any court of competent jurisdiction, approving a petition or appointing a receiver, trustee, custodian or liquidator for Lessee or of all or a substantial part of the assets of Lessee, in each case without its application, approval or consent, and such order, judgment or decree shall continue unstayed and in effect for any period of thirty (30) consecutive days.

The foregoing provisions of this Section 7.1 are subject to (i) the provisions of Section 3.2 hereof with respect to an Event of Nonappropriation; and (ii) if by reason of force majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of Lessee contained in Article IV hereof and Section 10.2 hereof, Lessee shall not be deemed in default during the continuance of such inability. The term “force majeure” as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State of Utah or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms, droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee.

Section 7.2 Remedies on Default. Whenever any event of default referred to in Section 7.1 hereof shall have happened and be continuing, Lessor 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) With or without terminating this Lease, retake possession of the Equipment or by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee’s expense, promptly return the Equipment to Lessor in the manner set forth in Section 3.4 hereof and Lessor may sell, lease or otherwise dispose of the Equipment;

(b) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Lease or the Escrow Agreement or as a secured party in any or all of the Equipment or the Escrow Account; and

(c) Terminate the Escrow Agreement and apply any proceeds in the Escrow Account to the Rental Payments due hereunder; and

(d) With or without terminating this Lease, declare all Rental Payments due during the Original Term or Renewal Term in effect on the date of the default to be immediately due and payable whereupon such Rental Payments shall be due and payable, but solely from legally available funds appropriated for such purpose.

Any amount realized upon a sale, lease or other disposition of the Equipment or from the exercise of any other remedies hereunder shall be applied as follows:

First: To pay all reasonable expenses of the repossession and/or disposition of the Equipment;

Second: To the payment of all principal (using for this purpose the Option Purchase Price) and interest (accrued to the date of payment) owing Lessor hereunder, and

Third: Any excess shall be returned to Lessee as an overpayment of rent hereunder.

Section 7.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to Lessor 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 Lessor to exercise any remedy reserved to it in this Article VII, it shall not be necessary to give any notice, other than such notice as may be required in this Article VII.

Section 7.4 No Deficiency Judgment. Anything in this Lease to the contrary notwithstanding, the remedies of Lessor hereunder shall be limited to repossession and disposal of the Equipment and no judgment for any deficiency or any other amounts owing hereunder shall be entered against Lessee except with respect to the Rental Payments due during the Original Term or Renewal Term in effect on the date of the default, but then solely from legally available funds appropriated for such purpose.

Section 7.5 Waiver of Certain Damages. With respect to all of the remedies of Section 7.2 above, Lessee expressly waives any damages occasioned by Lessor's repossession of the Equipment.

ARTICLE VIII

PAYMENT OF TAXES, FEES, PERMITS, AND UTILITY SERVICES

Section 8.1 Interpretation. This Lease for all purposes will be treated as a net lease.

Section 8.2 Taxes and Fees. Lessee agrees to pay and to indemnify and hold Lessor harmless from, all license, sales, use, personal property, and other taxes and fees, together with any penalties, fines, and interest on such taxes and fees imposed or levied with respect to the Equipment and the ownership, delivery, lease, possession, use, operation, sale, and other disposition of the Equipment, and upon the rental or earnings arising from any such disposition, except any federal or state income taxes payable by Lessor on such rental or earnings. Lessee may in good faith and by appropriate proceedings contest any such taxes and fees so long as such proceedings do not involve any danger of sale, forfeiture, or loss of the Equipment or of any interest in the Equipment.

Section 8.3 Permits. Lessee will obtain all permits and licenses necessary for the installation, operation, and use of the Equipment. Lessee will comply with all laws, rules, regulations, and ordinances applicable to the installation, use, possession, and operation of the Equipment. If compliance with any law, rule, regulation,

ordinance, permit, or license requires changes or additions to be made to the Equipment, such changes or additions will be made by Lessee at its own expense.

Section 8.4 Utilities. Lessee will pay all charges for fuel, water, steam, electricity, light, heat, power, telephone, or other utilities furnished to or used in connection with the Equipment (including charges for installation of such services) during the Term of this Lease. There will be no abatement of rent on account of the interruption of any such services.

ARTICLE IX

USE, REPAIRS, ALTERATIONS, AND LIENS

Section 9.1 Use; Personal Property. Lessee has not (or, as applicable, will not) install, use, operate, or maintain the Equipment improperly, carelessly, in violation of any applicable law, or in a manner contrary to that contemplated by this Lease. Lessee agrees that the Equipment is and at all times will remain personal property notwithstanding that the Equipment or any part of the Equipment may now or hereafter become affixed in any manner to real property or to any building or permanent structure. Lessee shall comply with all license and copyright requirements of any software used in connection with the Equipment.

Section 9.2 Repairs. Lessee at its own cost will service, repair, and maintain the Equipment so as to keep the Equipment in as good condition, repair, appearance, and working order as when delivered to and accepted by Lessee under this Lease, ordinary wear and tear excepted. At its own cost, Lessee will replace any and all parts and devices which may from time to time become worn out, lost, stolen, destroyed, damaged beyond repair, or rendered unfit for use for any reason whatsoever. All such replacement parts, mechanisms, and devices will be free and clear of all liens, encumbrances, and rights of others, and immediately will become a part of the Equipment and will be covered by this Lease (for all purposes including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.3 Alterations. Lessee may install such miscellaneous equipment as may be necessary for use of the Equipment for its intended purposes so long as either (a) the installation of such miscellaneous equipment does not alter the function or manner of operation of the Equipment, or (b) Lessee, upon termination of this Lease, restores the Equipment to its function and manner of operation in existence prior to the installation of such miscellaneous equipment. Subject to the obligations described above, Lessee may remove such equipment upon termination of this Lease, if the removal of such equipment will not substantially damage the Equipment. Without the prior written consent of Lessor, Lessee will not make any other alterations, changes, modifications, additions, or improvements to the Equipment except those needed to comply with Lessee's obligations to change, add to, or repair the Equipment as set forth in Sections 9.2 and 10.3 herein. Any alterations, changes, modifications, additions, and improvements made to the Equipment, other than miscellaneous equipment which may

be removed as set forth above, immediately will become a part of the Equipment and will be covered by this Lease (for all purposes, including the obligation of Lessee to retransfer title to Lessor under Section 1.2 herein) to the same extent as the Equipment originally covered by this Lease.

Section 9.4 Liens. Except with respect to the security interest provided in Section 1.3 hereof, Lessee will not directly or indirectly create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Equipment or any interest in the Equipment. Lessee promptly and at its own expense will take such action as may be necessary to duly discharge any mortgage, pledge, lien, charge, encumbrance, or claim, not excepted above, if the same arises at any time.

ARTICLE X

INDEMNIFICATION, INSURANCE, AND DAMAGE TO OR DESTRUCTION OF THE EQUIPMENT

Section 10.1 Indemnification. Lessee shall, to the extent permitted by law, indemnify and hold Lessor harmless from and against any and all claims, liabilities, damages and expenses, including reasonable attorneys' fees, to the extent caused by Lessee's negligence in the use, operation, ownership or possession of the Equipment, including claims for property damage, personal injury or wrongful death, and excluding any claims, liabilities, damages and expenses arising out of the negligent acts or omissions of Lessor. Lessee is a governmental entity under the Governmental Immunity Act of Utah (the "Act"). Nothing in this Agreement may be construed as a waiver of any rights or defenses otherwise applicable to Lessee pursuant to the Act. Indemnification is limited to the amounts established in Section 63G-7-604 of the Act.

Section 10.2 Insurance. Lessee shall, at its sole discretion, either self-insure or maintain at all times during the Lease Term comprehensive general liability and property damage insurance with respect to the Lessee's operation or possession of the Equipment. [The comprehensive general liability insurance limits shall be at least \$703,000 per person and \$2,407,000 per occurrence for bodily injury and \$281,300 for property damage liability (such limits to be automatically increased as the related limits provided by State law are increased).] In no event will the property insurance limits be less than the replacement cost with equipment of like kind and quality. [Lessee shall furnish to Lessor a certificate of insurance or, if Lessee has self-insured, a letter or certificate regarding such self-insurance to be sent to _____.]

Section 10.3 Damage to or Destruction of the Equipment. If all or any part of the Equipment is lost, stolen, destroyed, or damaged, Lessee will give Lessor prompt notice of such event and will, to the extent of insurance proceeds (including self-insurance) and legally available funds repair or replace (at the Lessee's sole discretion), the same at Lessee's cost within a reasonable time after such event, and any replaced Equipment will be substituted in this Lease by appropriate endorsement. All insurance proceeds received under the policies required under Section 10.2 with respect to the Equipment lost, stolen, destroyed, or damaged, will be paid to Lessee if the

Equipment is repaired or replaced by Lessee as required by this Section. If Lessee fails or refuses to make the required repairs or replacement or if sufficient amounts are not available, such proceeds will be paid to Lessor to the extent of the then remaining principal balance of the related Rental Payments of this Lease plus accrued interest to the date of payment. No loss, theft, destruction, or damage to the Equipment will impose any obligation on Lessor under this Lease, and this Lease will continue in full force and effect regardless of such loss, theft, destruction, or damage.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Assignment and Sublease by Lessee. Lessee may not assign, transfer, pledge, or encumber this Lease or any portion of the Equipment (or any interest in this Lease or the Equipment), or sublet the Equipment, without the prior written consent of Lessor. Consent to any of the foregoing acts shall not constitute a consent to any subsequent like act by Lessee or any other person. Lessee agrees that Lessor may impose on the Equipment or the title thereto such plates or other means of identification as necessary to indicate that the Equipment is subject to this Lease and the restrictions set forth in this Section.

Section 11.2 Assignment by Lessor. The parties hereto agree that all rights of Lessor hereunder may be assigned, transferred or otherwise disposed of, either in whole or in part; provided that (1) written notice of any such assignment, transfer or other disposition is given to Lessee at least ten (10) days prior thereto (except that any assignment of this Lease at the time of execution thereof may be made by written notice at the time of execution); and (2) prior to any such assignment, transfer or other disposition, the name, address and the Federal Tax I.D. number of the assignee or transferee must be registered on registration books maintained by Lessee for this Lease. Lessor shall pay all costs of such transfer and shall be responsible for notice to Lessee and provision to Lessee of the name, address and Federal Tax I.D. number of the assignee. Lessee shall maintain registration books for this Lease and shall be obligated to make the payments required hereby, including principal and interest payments, solely to the registered owner or owners hereof.

Section 11.3 Lessor's Right to Perform for Lessee. If Lessee fails to make any payment or fails to satisfy any representations, covenant, warranty, or obligation under this Lease, Lessor may (but need not) make such payment or satisfy such representation, covenant, warranty, or obligation on Lessee's behalf, and the amount of such payment and any expenses incurred by Lessor, as the case may be, together with interest thereon at a rate of the interest rate then in effect on this Lease plus 5% or the maximum amount permitted by law, whichever is less, will be deemed to be additional rent payable by Lessee on Lessor's demand.

Section 11.4 Addresses. All notices to be given under this Lease will be made in writing and mailed by registered or certified mail, return receipt requested, (a) if to Lessee, at the Utah Transit Authority, 669 West 200 South, Salt Lake City, Utah

84101, Attention: Treasurer, and if to Lessor, at _____, until either Lessee or Lessor gives written notice to the other specifying a different address.

Section 11.5 Manner of Payment. All payments by Lessee to Lessor hereunder will be made by check or fed wire transfer, or by other manner mutually acceptable to Lessor and Lessee.

Section 11.6 Nonwaiver. No breach by Lessee in the satisfaction of any representation, covenant, warranty, or obligation may be waived except by the written consent of Lessor, and any such waiver will not operate as a waiver of any subsequent breach. Forbearance or indulgence by Lessor in any regard whatsoever shall not constitute a waiver of the covenant or obligation and until complete performance by Lessee of said covenant or obligation Lessor shall be entitled to invoke any remedy available to it under this Lease despite said forbearance or indulgence. No collection of rent shall operate as a waiver of any default.

Section 11.7 Severance Clause. Any provision in this Lease which is prohibited by law will be treated as if it never were a part of this Lease, and the validity of the remaining terms of this Lease will be unaffected.

Section 11.8 Entire Agreement. This Lease and the attached Exhibits constitute the entire agreement between Lessor and Lessee and supersedes any prior agreement between Lessor and Lessee with respect to the Equipment, except as is set forth in an addendum, if any, which is made a part of this Lease and which is signed by Lessor and Lessee.

Section 11.9 Amendments. This Lease may be amended only by a written document signed by Lessor and Lessee.

Section 11.10 Inurement. Subject to the restrictions in Sections 11.1 and 11.2 above, this Lease is binding upon and inures to the benefit of Lessor and Lessee and their respective successors and assigns.

Section 11.11 Governing Law. This Lease is governed by the laws of the State of Utah, without giving effect to any choice of laws rules.

Section 11.12 Prevailing Party. In the event an action or other proceeding is filed with respect to the rights and obligations of the parties to this Lease, any judgment rendered in such action or proceeding shall, to the extent permitted by law, include a sum for attorney's fees in favor of the prevailing party.

Section 11.13 Offset. Rental 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 Rental Payments or other sums for any reason whatsoever, including, but not limited to any damage or destruction of the Equipment.

Section 11.14 Interest. If any Rental Payment or other amount payable hereunder is not paid within 15 days of its due date, Lessee shall pay to Lessor, solely from and to the extent of legally available funds appropriated for such purpose, an administrative late charge of 5% of the amount not timely paid or the maximum amount permitted by law, whichever is less.

Section 11.15 Nature of this Agreement. Lessor and Lessee agree that it is their intention that, (a) for federal income tax purposes, the interest of Lessor in the Equipment is as a secured party and the interest of Lessee is as a debtor with the aggregate principal amount of the Rental Payments constituting the purchase price of the Equipment, and (b) Lessor neither has nor will have any equity in the Equipment.

EXECUTED as of this ____ day of April 2017.

LESSEE:
UTAH TRANSIT AUTHORITY

By: _____
Name: Robert K. Biles
Title: Treasurer and CFO

LESSOR:

By: _____
Name: _____
Title: _____

APPENDIX A

<u>Description of Equipment and itemized costs:</u>
Closing Date: April ____, 2017
<u>Commencement Date:</u>
<u>Principal Amount:</u>
<u>Interest Rate or Rates:</u>
<u>Prepayment Options:</u>
The lease is subject to prepayment in whole or in part at the option of the Lessee on _____, 20__, or on any date thereafter, at the price of 100% of the remaining principal balance of the lease, as shown in <u>Appendix B</u> hererto.
<u>Acquisition Period:</u> [Fifteen (15) months from Commencement Date.]

APPENDIX C

OPINION OF LESSEE’S COUNSEL

To: _____

Gentlemen:

As counsel for the Utah Transit Authority (the “Lessee”), I have examined duly executed originals of the Equipment Lease Agreement (the “Lease”), dated April ____, 2017, between the Lessee and _____ (the “Lessor”), and the proceedings taken by the Lessee to authorize and execute the Lease. Based upon such examination as I have deemed necessary or appropriate, I am of the opinion that:

1. Lessee is a public transit district legally existing under the laws of the State of Utah.
2. The Lease has been duly authorized, executed, and delivered by Lessee.
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 Lessee’s execution of the Lease was authorized.
4. The Lease is a legal, valid and binding obligation of Lessee, enforceable 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 creditors’ rights generally.
5. The Lease is in accordance with and does not violated the usury statutes of the State of Utah, if any.
6. 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.
7. The Equipment (as defined in the Lease) constitutes personal property and when subjected to use by Lessee will not become fixtures under applicable law.

Attorney for Lessee

APPENDIX D

ACCEPTANCE CERTIFICATE

To: _____

Reference is made to the Equipment Lease Agreement between the undersigned Utah Transit Authority (the "Lessee") and _____ (the "Lessor"), dated April __, 2017 (the "Lease") and to the Equipment as such term is defined therein. 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 Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.

4. [The serial or vehicle identification number for each item of Equipment which is set forth on Appendix A to the Lease is correct.]

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

DATE: _____.

LESSEE:
UTAH TRANSIT AUTHORITY

By: _____
Name:
Title:

Witness

APPENDIX E
TAX CERTIFICATE

APPENDIX F
FORM 8038-G

APPENDIX G

INTENT DECLARATION

(See Authorizing Resolution)

APPENDIX H

ESCROW AGREEMENT

**UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Committee Agenda Item Coversheet**

DATE:	April 12, 2017
AGENDA ITEM:	Quarterly Investment Report
CONTACT PERSON:	Bob Biles/Richard Swenson
SUBJECT:	Disclosure of investment activity
BACKGROUND:	<p>Pursuant to UTA's Corporate Investment Policy, the Treasurer is required to provide a quarterly investment report to the Finance & Operations Committee, which acts as the designated Investment Committee.</p> <p>This is the investment report for the 1st quarter of 2017, which provides a list of the investments in the March 31, 2017 portfolio as well as investments which were purchased and sold during the first quarter.</p> <p>Zion's Wealth Advisors (formerly Contango) continues to manage a separate portfolio of investments totaling \$24.9 million, with maturities of three years or less.</p> <p>All other available cash is invested with the state investment pool (PTIF), which earned yields of 1.1644%, 1.1843%, for January and February. March rate is not yet published.</p>
EXHIBITS:	<ul style="list-style-type: none">• March 31, 2017 Investment Report

Utah Transit Authority

Investment Portfolio

March 31, 2017

Investment	CUSIP	Amount Invested	Purchase Date	Maturity	Yield to Maturity	Annual Earnings
Fannie Mae 1.375%	3135G0Q89	\$ 4,906,650.00	11/18/2016	10/7/2021	2.0090%	\$ 68,750
Freddie Mac 1.125%	3137EAEC9	\$ 4,839,200.00	11/22/2016	8/12/2021	1.9700%	\$ 56,250
Freddie Mac 1.125%	3137EAEC9	\$ 4,817,187.60	11/28/2016	8/12/2021	1.9700%	\$ 56,250
Federal Home Loan 1.875%	3130AABG2	\$ 4,978,985.20	12/2/2016	11/29/2021	2.0100%	\$ 93,750
Federal Farm Credit 2.010%	3133EGT47	\$ 5,006,173.95	12/14/2016	12/8/2021	2.0290%	\$ 100,500
Federal Ag. Mtg. 2.210%	3132X0MG3	\$ 4,990,576.45	12/22/2016	12/22/2021	2.0100%	\$ 110,500
		\$ 29,538,773.20				\$ 486,000.00

Note - A total of \$24.9 million has been assigned to Contango. The remainder is currently held in the Public Treasurer's Investment Fund for further investment.

**Investments Purchased
January 1 to March 31, 2017**

Investment	CUSIP	Amount Invested	Purchase Date	Maturity	Yield to Maturity	Annual Earnings
no purchases this quarter						
		\$ -				\$ -

**Investments Sold
January 1 to March 31, 2017**

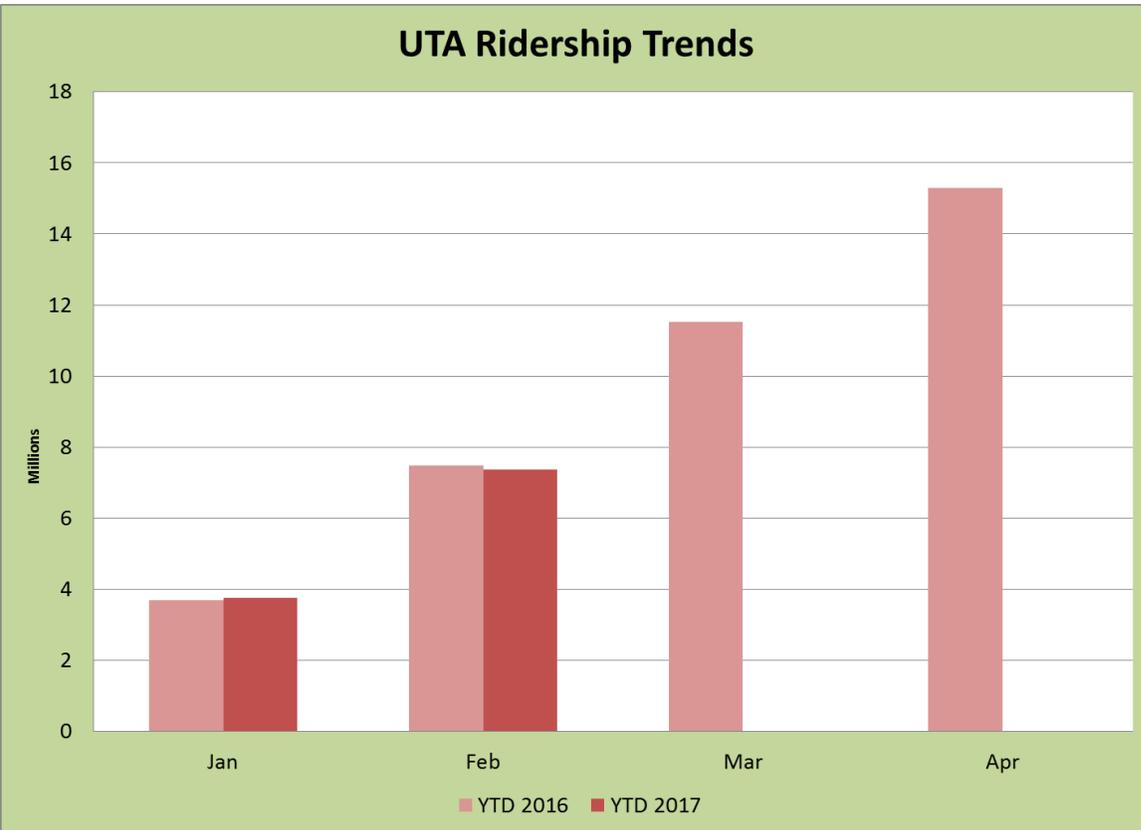
Investment	CUSIP	Amount Invested	Date Sold	Sale Amount	Interest Earned	Gain
No sales this quarter						

UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	April 12, 2017
CONTACT PERSON:	Jeff Acerson, FOC Chair
SUBJECT:	Meeting of the Finance & Operations Committee of the Board of Trustees
BACKGROUND:	Departments within the Operations, Capital, & Assets (OCA) division track and report ridership, reliability, environmental, and State of Good Repair (SGR) information to the Vice President of Operations, Capital, & Assets. This information is then presented to the Board Finance & Operations Committee for review.
EXHIBITS:	<ul style="list-style-type: none">• Operations: Ridership Dashboard• Operations: Reliability Dashboard• Capital Development: Environmental Dashboard• Asset Management: State of Good Repair Dashboard

Operations: Ridership Dashboard

January and February 2017



Ridership (Millions)									
	Jan 17	Jan 16	% Var	Feb 17	Feb 16	% Var	YTD 17	YTD 16	% Var
Bus	1.63	1.64	-0.75%	1.61	1.70	-5.05%	3.24	3.34	-2.94%
TRAX	1.50	1.46	2.88%	1.42	1.52	-6.20%	2.92	2.98	-1.75%
FrontRunner	0.40	0.36	11.84%	0.37	0.36	2.14%	0.77	0.72	6.95%
Streetcar	0.04	0.03	8.77%	0.04	0.03	4.74%	0.07	0.06	6.73%
Special Services	0.18	0.19	-6.50%	0.18	0.19	-3.95%	0.36	0.38	-5.25%
System	3.75	3.68	1.71%	3.62	3.80	-4.67%	7.37	7.49	-1.53%

Source: Monthly Ridership Report

Special Services include Paratransit, Route Deviation, Vanpool, and Mobility Management



Operations: Reliability Dashboard

January and February 2017

On-Time Reliability													
	Standard	Jan 17	Jan 16	% Var	% Var v Standard	Feb 17	Feb 16	% Var	% Var v Standard	YTD 17	YTD 16	% Var	% Var v Standard
Bus	88.00%	87.78%	92.77%	-5.38%	-0.25%	91.00%	92.65%	-1.78%	3.41%	89.34%	92.71%	-3.63%	1.52%
TRAX	88.00%	94.43%	95.98%	-1.61%	7.31%	96.69%	95.77%	0.96%	9.88%	95.52%	95.88%	-0.38%	8.55%
FrontRunner	88.00%	84.75%	86.50%	-2.02%	-3.69%	93.57%	88.97%	5.17%	6.33%	89.06%	87.73%	1.52%	1.20%
Streetcar	88.00%	99.13%	99.43%	-0.30%	12.65%	99.44%	99.45%	-0.01%	13.00%	99.28%	99.44%	-0.16%	12.82%
Special Services	88.00%	94.23%	94.74%	-0.54%	7.08%	95.70%	95.37%	0.35%	8.75%	94.94%	95.06%	-0.13%	7.89%
System	88.00%	89.98%	93.74%	-4.01%	2.25%	92.86%	93.68%	-0.88%	5.52%	91.38%	93.71%	-2.49%	3.84%

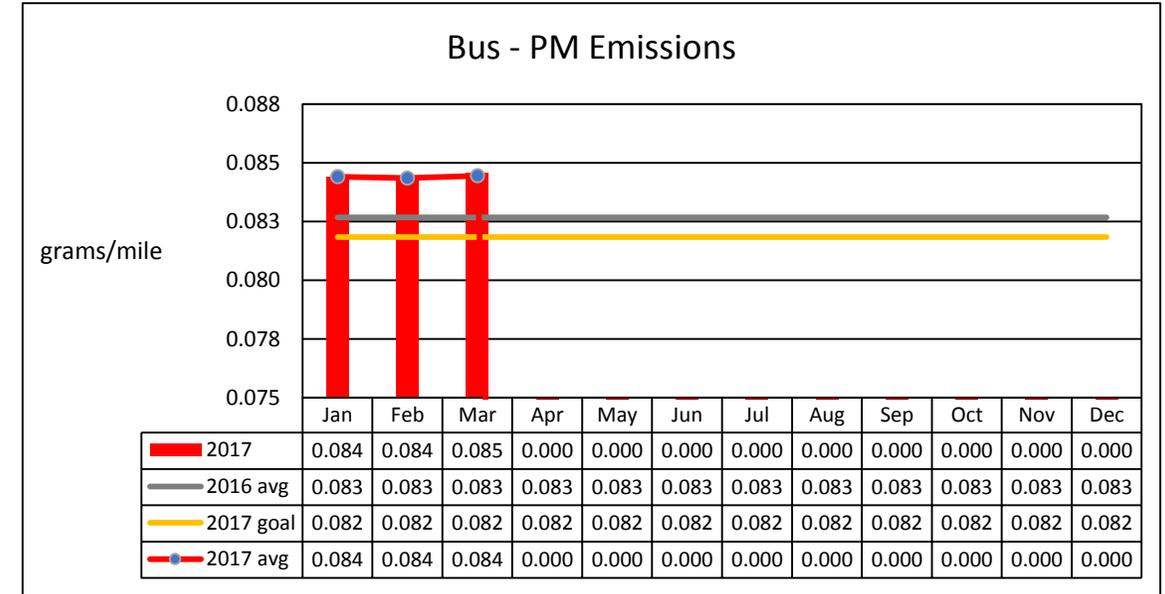
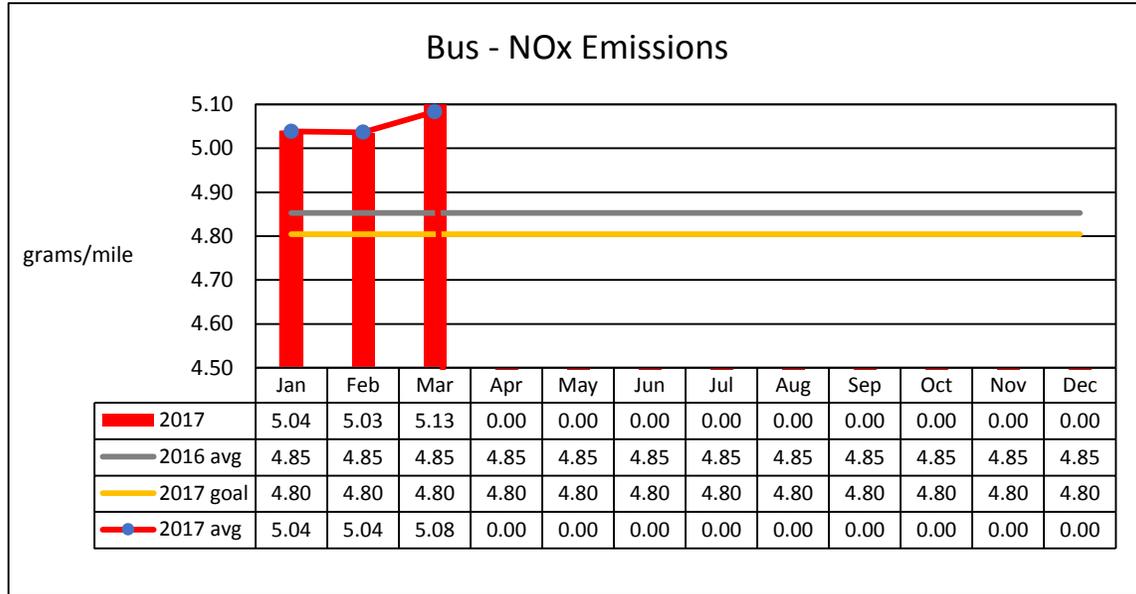
Source: OpAnalytics

Special Services includes Paratransit and Route Deviation. Vanpool and Mobility Management services are provided by community stakeholders, and on-time performance is not recorded.

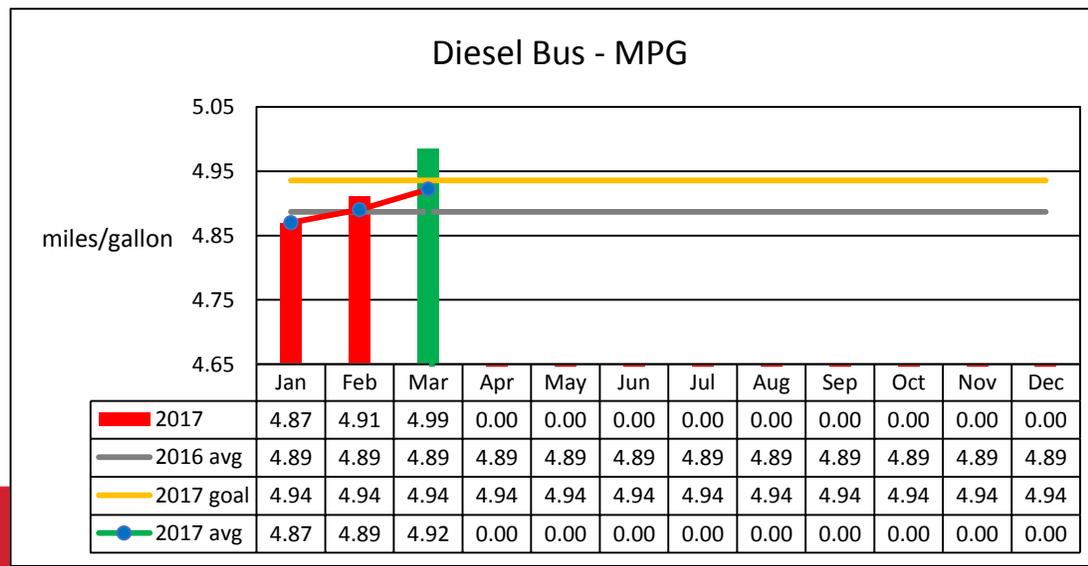


Capital Development: Environmental Dashboards

Environmental Aspect X: Reducing Air Pollution



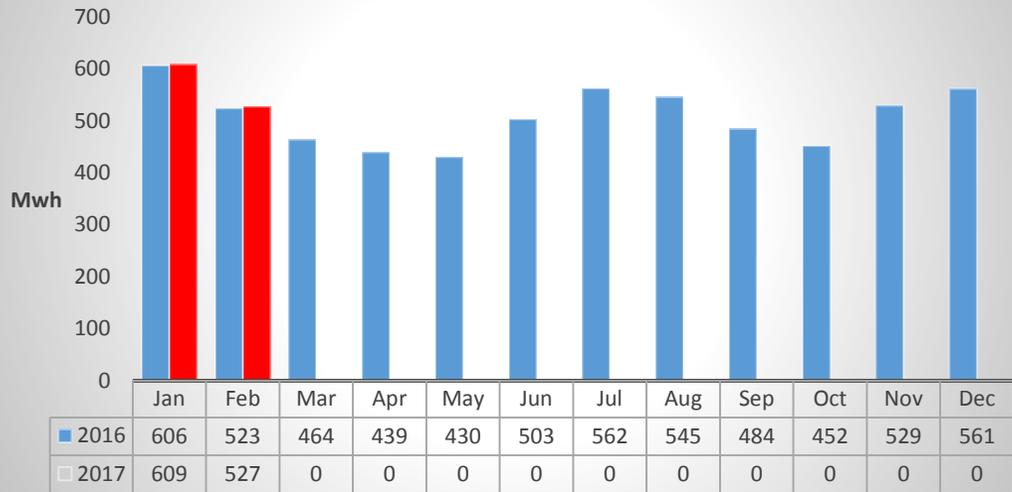
Environmental Aspect V: Fuel Consumption and Excessive Idling



Capital Development: Environmental Dashboards Cont.

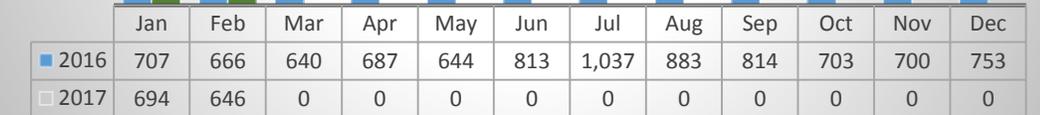
Environmental Aspect VII: Energy Management – Electricity Usage

Electricity Usage at Bus Facilities



Electricity Usage at Rail Facilities

Mwh



LEGEND



2016 ELECTRICITY USAGE



2017 ELECTRICITY USAGE BELOW 2016

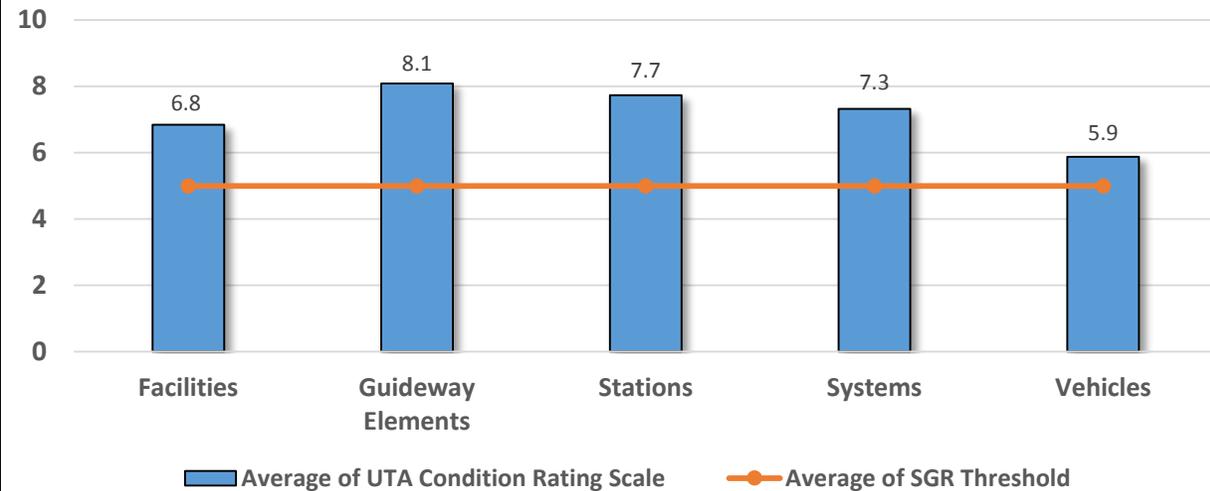


2017 ELECTRICITY USAGE ABOVE 2016

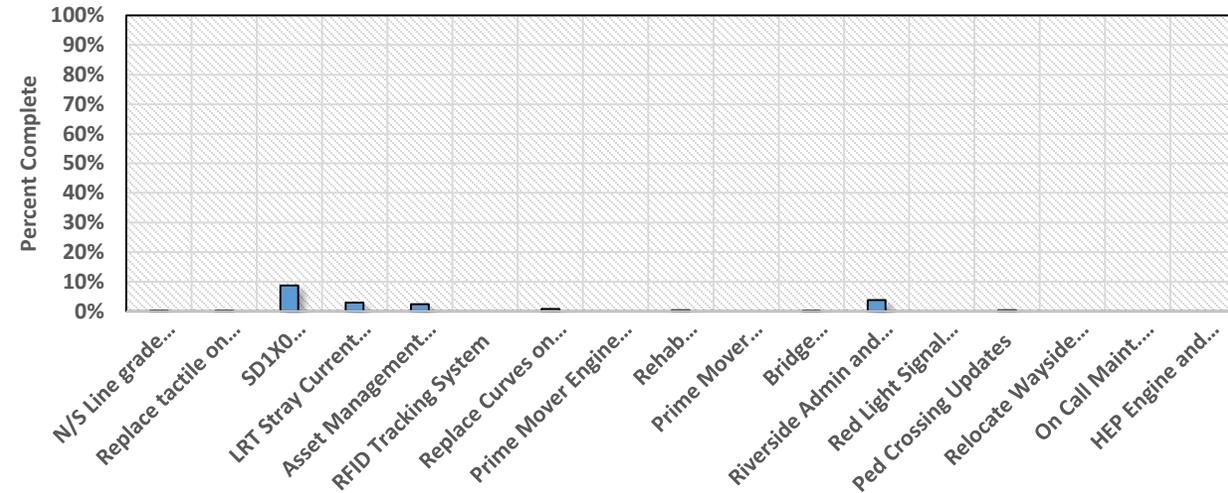


Asset Management: State of Good Repair Dashboard

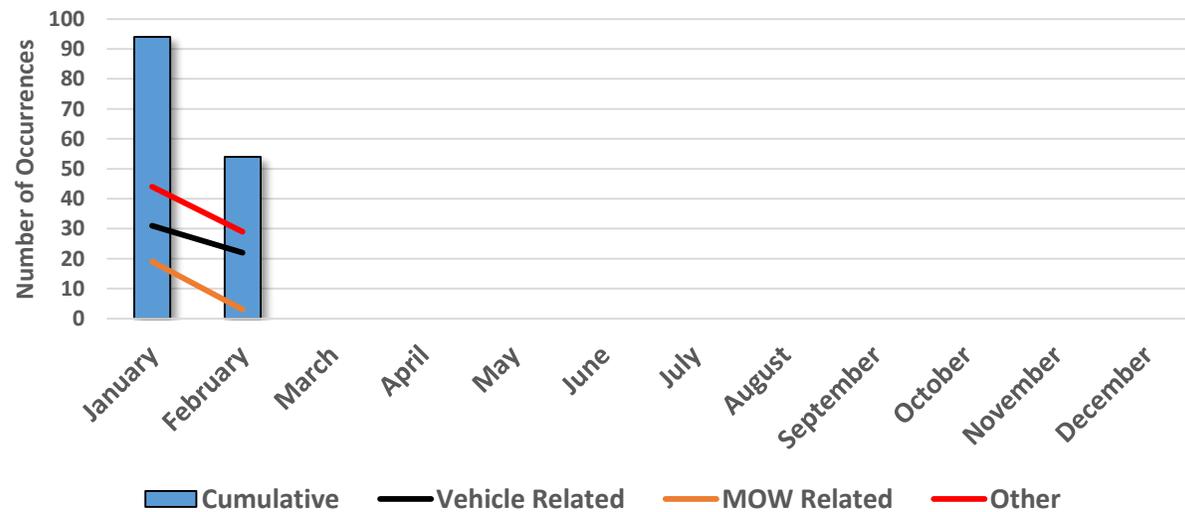
2017 UTA SGR Condition Ratings At A Glance (FTA Required)



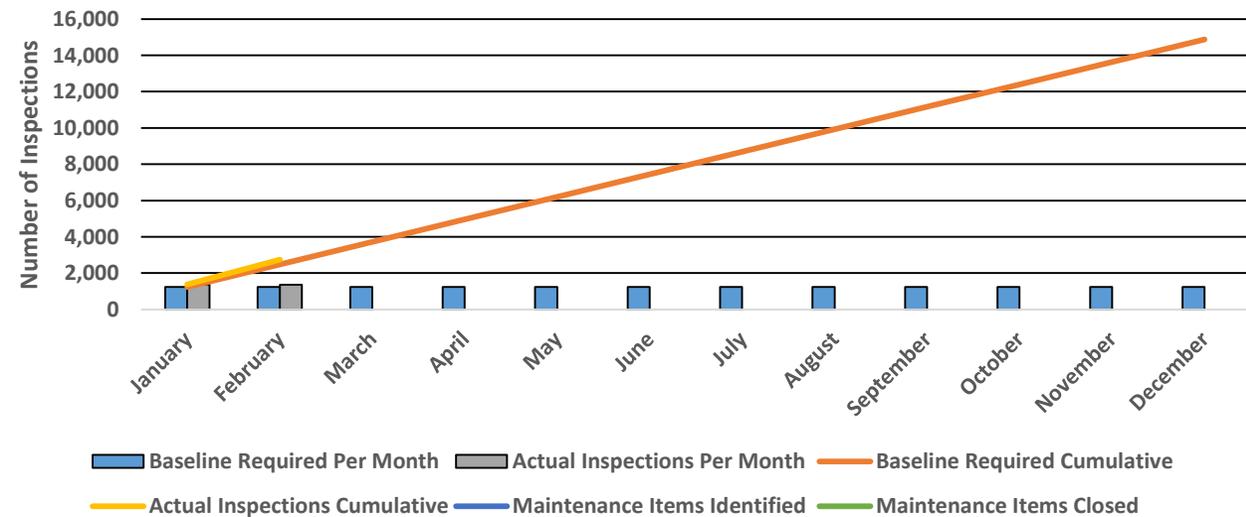
2017 SGR Project Status Chart



2017 Rail Service Interruptions (LR & CR- Delay >=10 Minutes)



2017 MOW Inspection Chart



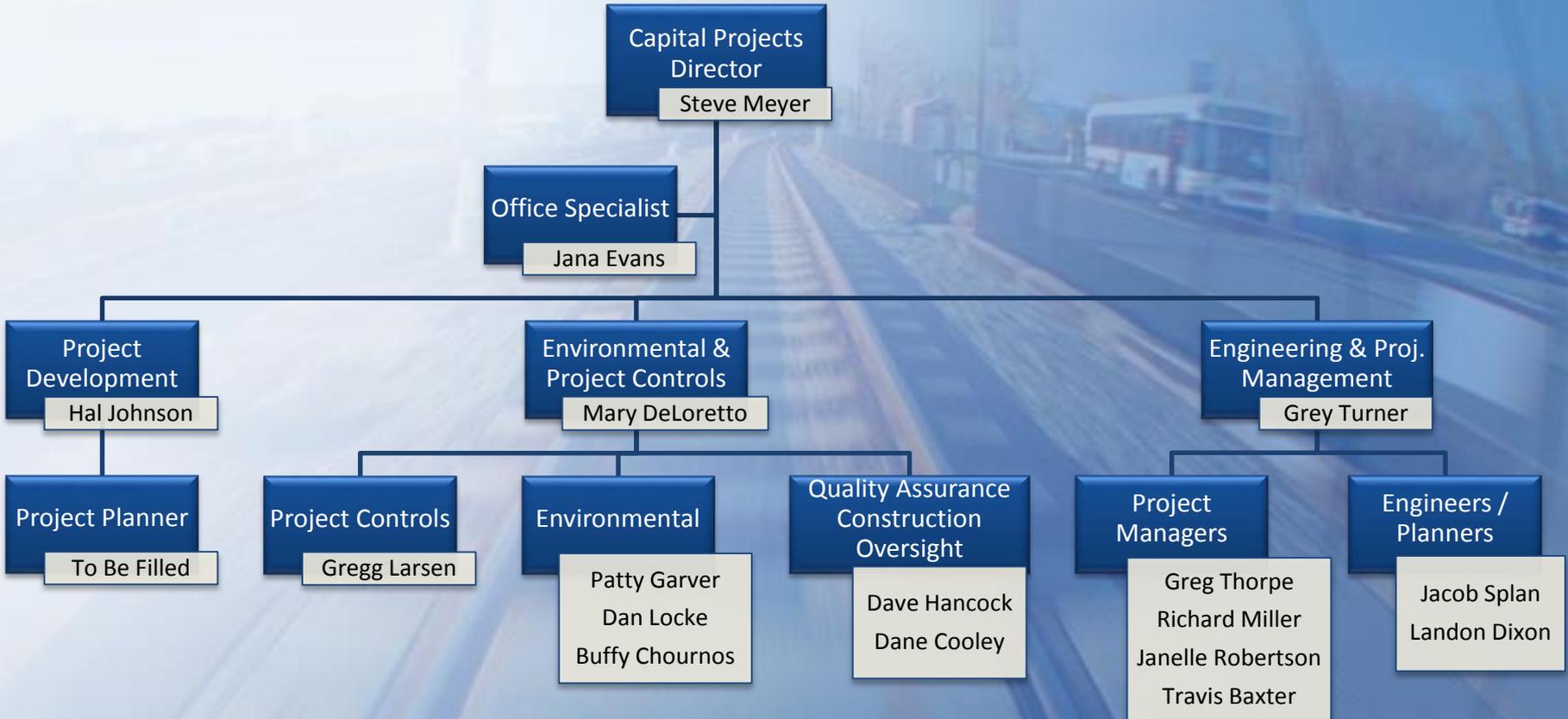
UTAH TRANSIT AUTHORITY BOARD OF TRUSTEES
Agenda Item Coversheet

DATE:	April 12, 2017
CONTACT PERSON:	Jeff Acerson, FOC Chair
SUBJECT:	Meeting of the Finance & Operations Committee of the Board of Trustees
BACKGROUND:	<p>The Vice President of Operations, Capital, & Assets has a desire to introduce and share activities that are happening within the different business units to the Board Finance & Operations Committee. This month, two departments will be presenting:</p> <ol style="list-style-type: none">1) Capital Development – will introduce their new department structure and share the capital projects-process and five year plan.2) Asset Management – will discuss snow removal for 2016-17 and improvements for the 2017-18 season.
EXHIBITS:	<ul style="list-style-type: none">• Capital Projects PowerPoint presentation• Asset Management PowerPoint presentation



Capital Projects – Process / 5 yr Plan

Steve Meyer, Capital Projects Director
April 12, 2017



Types of Capital Projects

➤ New Facility / Transit System



➤ Enhancement/Upgrade to Existing Facility / Transit System



 2 month Procurement

2017 Capital Projects

Greg Thorpe

- Corridor Fencing & Fall Protection
- Electric Bus Implementation
- Draper TRAX Before & After Study
- Airport TRAX relocation
- Riverside Gas Fueling Addition
- N/S TRAX Tactile Replacement
- N/S TRAX Grade X-ing Replacement
- Building 8 – Paint Room
- Rehab Switches/Frogs @ Main St. Interlocking
- Riverside Administration & Canopy
- Mount Ogden BU Expansion
- Depot District

Dane Cooley

- FLHQ Basement ADA/Emergency Egress

Richard Miller

- First/Last Mile (TIGER) Projects
- Passenger Enhancements
- Prop 1 – Weber
- Prop 1 – Davis
- Prop 1 – Tooele
- Tooele Bus Storage Facility

Dave Hancock

- MRSC Lighting @ Tracks 1, 2, 3, Service
- FLHQ Generator – Closets A&B
- 700 South TRAX Curve Replacement
- Ped X-ings
- Wayside Power Relocation – Ogden & Warm Springs

Janelle Robertson

- Provo Orem BRT
- Provo Intermodal Bus Bay Expansion

Travis Baxter

- Positive Train Control (PTC)
- Red Light Signal Enforcement
- TRAX signal TAP Grant
- Stray Current Mitigation

Other

- Safety & Security General
- UTA Corridor Property Fencing
- Box Elder Right-of-Way
- Midvale OCS Modifications



Asset Management Snow Removal 2016-17 Improvements for 2017-18

Paul Edwards, PE
Director of Asset Management

Infrastructure Elements 2016-2017

- 72 Stations
- 42 Park-n-ride lots w/ sidewalks
- 32 BRT stations
- **100's of Bus Stop's**
- 5 Bus Service Centers
- 5 Rail Service Centers
- 3 Intermodal Hubs
- 144 miles of right of way
- 197.5 track miles
- 133 grade crossings with gates
- 271 switches and derails



Snow Removal Resources

- Snow year is from October to April
- 16 dedicated Facilities staff
- 40 dedicated MOW staff
- 56 additional facilities staff and 14 additional MOW staff on call for “**significant**” events
 - Light 1-2 inches
 - Medium 2-4 inches
 - Significant >4 inches
- Duration of storm is a factor
- Wasatch Front can have pockets of varying accumulation



Pre-Winter Preparation

Facilities

- **Begin prepping 18 snow trailers in August**
- **Supervisors attend snow meeting in October**
- **Contracts signed for snow removal**
- **OT Volunteers identified**
- **Yearly training: Snow Removal SOP , RWP, ATV etc.**
- **Stock salt supplies at remote locations**
- **Test spreading equipment**
- **Clean, test and tune snow blowers, ATV's, leaf blowers, etc.**
- **Turn off water and blow out lines**

MOW

- **Testing all switch heaters**
- **Checking circuits**
- **Cleaning drains**
- **Checking ballast shoulders**
- **Filling propane tanks and testing burners**



Snow Removal Matrix Prior to Arrival of Storm

Facilities will:

- On call Supervisor monitors weather via local news and National Weather Service
- Pre-salt platforms without snow melt
- Activate snow melt on platforms for one full cycle

Maintenance of Way will:

- Exercise all switches
- Test all switch heaters and activate prior to storm



Things that went well

- Had less equipment breakdowns due to aggressive maintenance
- Fewer switch related problems on main lines
- Had less snow related problems in downtown area
- Groups working together has produced improvements in efficiency



Opportunities for Improvements

- Better communications with all Control Rooms
- Additional automated controls for snow melt
- More aggressive cleaning of flangeways
- Better switch heater control systems for imbedded track
- Maintain full staffing
- Help identifying critical ADA bus stops
- Develop contingencies for major snow events (example: Boston)

Questions

