

**MINUTES OF A REGULAR CITY COUNCIL MEETING
HELD IN THE COUNCIL CHAMBERS
FEBRUARY 16, 1999**

The meeting was called to order by Mayor Keith Broadhead at 7:00 P.M. Council members present: Kirk Greenhalgh, Marianne Stevenson, Lynn Adam, and Frank Staheli. Council member Dennis Howard was excused.

Others in attendance: City Manager/Police Chief Tom Austin, City Engineer Brad Jorgensen, Wade Garner, Dennis Barnes, Mary Anne Peterson, and other unidentified Individuals.

PLEDGE OF ALLEGIANCE

Council member Greenhalgh led the Pledge of Allegiance.

PRAYER

Council member Staheli offered a word of prayer.

PUBLIC FORUM, BID OPENINGS AND AWARDS

Wade Garner indicated his son Bryce was in need of an Eagle Scout Project. Bryce would like to move the baseball back stop at the Centennial park farther into the park, away from the road way, for safety reasons. Mr. Garner and Son will contact Dennis Barnes with regard to the project.

INTRODUCTION AND ADOPTION OF RESOLUTION AND ORDINANCES

Council member Stevenson moved to approve Resolution 2-2-99 (A RESOLUTION PROVIDING FOR AN INTERLOCAL AGREEMENT WITH AND FOR THE MOUNTAINLANDS ASSOCIATION OF GOVERNMENTS). Council member Adams seconded the motion with an unanimous vote.

REPORT OF OFFICERS, STAFF, BOARDS AND COMMITTEES

City manager Austin reported a Public Hearing is scheduled for March 2, 1999 with regard to a zone change request made by Mike Carter. The Zone Change request is with regard to property located approximately 50 North Orchard Lane running North along Orchard Lane to the Cottonwood Twin Homes Subdivision, on both East and West side of Orchard Lane. The Mayor and Council will hold a work session with regard to the Zone Change request on March 10th with a Public Hearing being rescheduled for March 16th.

Council member Staheli moved to accept the recommendation of Mayor Broadhead to appoint Mary Ann Peterson to the Planning Commission for the term of five years. Council member Stevenson seconded the motion with an unanimous vote.

City Engineer Jorgensen reported the design for the second portion of the roads project will be available for review next week. Also reported was the project involving UDOT with regard to curb and guttering along Main Street East of town is currently on hold.

The Mayor and Council discussed with City Engineer Jorgensen a need for a word change in the

Contract regarding the purchase of Natural Gas from Nephi Gas. Dave Lund will make the needed changes to the contract and obtain a written agreement from Nephi Gas indicating Santaquin City has been released from the purchase contract.

City Engineer Jorgensen reviewed a modification to the Preliminary Engineer's Opinion of Cost with regard to a Culinary Water project that was discussed in a previous meeting.

City Engineer Jorgensen indicated he needed a scope of work for a RFP with regard to a Storm Water Drainage.

UNFINISHED BUSINESS

Council member Adams moved to authorize Mayor Broadhead to sign the Sewer Farm Agreement between Santaquin City and The Ahlin's (See attachment "A"). Council member Stevenson seconded the motion with an unanimous vote.

NEW BUSINESS

Council member Adams moved to approve the request from Morris Ercanbrack to rent 10 shares of Summit Creek Water that the City currently owns. The rental fee will be the assessment fee plus \$10.00 per share. Council member Greenhalgh seconded the motion with an unanimous vote.

Sydney Jacques, Representative from Jacques & Associates, reviewed with the Mayor and Council the process of setting up a City Web Page. Ms. Jacques will work with Council member Staheli with regard to getting the page set up.

BILLS

Council member Adams moved to approve payment of the bills in the amount of \$15,735.46 . Council member Stevenson seconded the motion with an unanimous vote.

BUSINESS LICENSES

Council member Stevenson moved to approve a new Business License for Angela Blythe D.B.A. Angela's House Cleaning . Council member Greenhalgh seconded the motion with an unanimous vote.

Council member Stevenson moved to approve a new Business License for Johnna Tuttle D.B.A. Tuttle Hair Design, upon approval of the City Inspector and Fire Chief. Council member Adams seconded the motion with an unanimous vote.

APPROVAL OF MINUTES

Council member Staheli moved to approve the minutes of February 2, 1999, with one change. Council member Adams seconded the motion with an unanimous vote.

MISCELLANEOUS

Permission was received for City Recorder Susan Farnsworth to attend a Records training in Hyrum on February 26, 1999.

City Manager Austin reviewed the cost, per month, of leasing a postage metering machine with the Mayor and Council.

Council member Adams asked if the part-time position has been advertised. The position will be advertized shortly.

Council member Staheli asked if the trash from the construction of the Twin Homes on Orchard Lane has been cleaned up out of the orchard across the road. When the snow melts the Developer will be responsible for clean up.

Council member Staheli reported Jim DeGraffenried indicated to him the property he would like to annex (property currently known as Ahlin Property) does meet the requirements of annexation. Legal Council indicated to City Manager Austin the property doesn't meet the requirements.

Mayor Broadhead reported he received a letter from UTA informing him as to what steps need to be taken to request extending the bus route into town.

The Mayor also reported Bill Ferguson and Kenyon Farley are planning to petition for annexation a portion of their property.

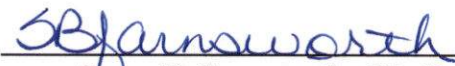
ADJOURNMENT

Council member Stevenson moved to adjourn with a second from Council member Adams and an unanimous vote.

Approved March 2, 1999.



Keith Broadhead, Mayor



Susan B. Farnsworth, City Recorder

AGREEMENT

This agreement, made this 2 day of February, 1999, by and between SANTAQUIN CITY, a Municipal Corporation, whose address is 45 West 100 South, Santaquin, Utah 84655, hereinafter referred to as "City" and TED and MARK AHLIN, whose address is 136 North 200 West, Santaquin, Utah 84655, hereinafter referred to as "Ahlin's".

WHEREAS, the City owns approximately 27 acres of farmland located in Utah County, State of Utah and more particularly described in Exhibit "A" attached hereto.

WHEREAS, the property is located adjacent to the City's Sewer Lagoon and may be subject to seepage or exposed to effluents that may be a potential health risk.

WHEREAS, the farming of said property may be subject to laws, ordinances, rules and regulations promulgated by the State, County and City.

WHEREAS, the parties desire to enter into a joint farming operation and conduct a farming operation on the property as more particularly set forth below:

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which the Parties hereto acknowledge, the Parties agree to, and hereby do agree as follows:

1. TERM. This Agreement shall remain in effect and force for a term of five (5) years commencing on the 2 day of February, 1999. This Agreement will automatically expire at the termination of the term, unless extended by mutual agreement of the parties in writing.

2. USE OF PROPERTY. The parties shall operate and conduct a joint farming operation on the property identified in Exhibit "A" attached hereto as follows:

a. The parties shall only grow, cultivate and harvest crops that are allowed to be grown by any applicable laws, rules regulations and ordinances imposed by any city, county or health Department including the State Department of environmental Control.

b. Ahlin's shall at all times keep informed of and be in compliance with any applicable rules and regulations imposed by the State Department of Environmental Control and any other related agencies related to the conducting of a farm operation on the property.

c. The City will provide all the seeding material necessary to plant the crop. The City will provide the labor to move the irrigational pipe.

d. Ahlins will provide all other labor, material and equipment necessary to plant, grow, raise, cultivate and harvest the crops and will conduct the farming operation in accordance with generally accepted principles of farming, including using appropriate fertilization methods and using and employing accepted principles of conservation

e. The parties understand that this Agreement does not create a landlord/tenant relationship between the parties nor does not create any property rights, hunting privileges or any other rights for Ahlins except as outlined in this Agreement. Ahlins shall not use the property for any other reason except to conduct and operate the farming operation outlined herein.

3. COMPENSATION: The parties shall share equally the gross revenues from the sale of the crops and use of the property on the 2 parcels that the Ahlins have been farming pursuant to an Agreement previously executed by the parties. The parties shall share the gross revenues from the sale of the crops harvested on the new property as follows:

a. Ahlins shall be entitled to all revenues generated by sale of the crops other otherwise realized from the operation of the farm for the first year,

b. The City shall be entitled to forty (40%) of the gross revenues and Ahlins shall be entitled to sixty (60%) of the gross revenues generated by sale of the crops other wise realized from the operation of the farm during the second year.

c. The City shall be entitled to fifty (50%) of the gross revenues and Ahlins shall be entitled to fifty (50%) of the gross revenues generated by sale of the crops other wise realized from the operation of the farm during the third year through the fifth year.

4. INSURANCE Ahlins shall obtain and maintain a current liability insurance coverage for the operation of the farm on the property and shall hold the City harmless from any injuries, accidents or damage suffered to anyone as a result of any actions of Ahlins, its officers, agents, and employees.

5. RELEASE Ahlins hereby relieve, release, acquit and forever discharges the City from any and all claims, actions, causes of action, demands, rights, damages, costs, expenses, compensation, liabilities or suits, whether at law or in equity, of whatever kind or character, known or unknown, liquidated or unliquidated, arising from or related to any health hazards, risks involved or caused by the location of the property to the sewer lagoons including health risks associated with effluent emissions.

6. BUYOUT The City may at any time buy out Ahlins at a price to be mutually agreed upon by the parties. Said price shall be consistent with Ahlin's average share of the profits realized from the farming operation after the second year. In the event that the City does buy out Ahlins, this Agreement shall expire and no longer be of any force or effect. For purposes of this paragraph, profits means gross revenues subtract by reasonable expenses associated with planting, cultivation, growing and harvesting the crops.

7. DEFAULT. The following events and circumstances shall constitute a default under this Agreement:

A. If Ahlins shall be adjudged bankrupt, make a general assignment for the benefit of creditors, take the benefit of any insolvency acts, or if a permanent receiver or trustee in bankruptcy shall be appointed for Ahlins's property.

B. If Ahlins fails to perform any meaningful labor or provide any materials as required to farm the property.

C. If this Agreement shall be assigned or sublet other than in accordance with the terms of this Agreement.

D. If Ahlins fails to make any payments as required herein.

E. If Ahlins fails to perform any of the covenants or conditions of this Agreement, except the covenant to pay rent.

The City shall describe with particularity the acts or circumstances that constitute the default and shall make demand for performance. If the default is not cured within thirty (30) days of the written notice of default, the City may, in its sole discretion, terminate this Agreement by giving written notice to Ahlins that the City elects to terminate the Agreement, whereupon this Agreement shall expire as fully and completely as if that day were the date definitely affixed for the expiration of the term of this Agreement and Ahlins shall then quit and surrender the farming operation.

9. IMPROVEMENTS. Ahlins agrees not to make any improvements or alterations on the premises without the written consent of the Lessor.

10. SUBLETTING OR ASSIGNMENT. Ahlins shall not have the right to sublet the premises or any part thereof, or to transfer or assign this Agreement without the written consent of the City.

11. PAYMENT OF TAXES AND OTHER ASSESSMENTS. The city shall be responsible for an pay any general property taxes or other real property assessments made during the term of this Agreement.

12. WAIVER OF COVENANTS. It is agreed that the waiver of any of the covenants of this Agreement by either party shall be limited to the particular instance and shall not be deemed to waive any other breaches of such covenant or any provisions herein contained.

13. ATTORNEYS FEES AND COSTS. The parties hereunto hereby agree that should one or both of them default in any of the covenants or agreements contained herein, that the defaulting party shall pay all costs and expenses, including court costs and a reasonable attorney's fee, which may arise or accrue from enforcing this Agreement or in pursuing any remedy provided hereunder or by the statutes of the State of Utah whether such remedy is pursued by filing a suit or otherwise.

14. FAILURE TO PERFORM COVENANTS. Any failure on the part of either party to perform any obligation hereunder, and any delay in doing any act required hereby shall be excused if such failure or delay is caused by any governmental restriction or any other similar cause beyond the control of the party so failing to perform, to the extent and for the period that such continues, save except that the provisions of this paragraph shall not excuse the non-payment of rent or other sums due hereunder on the due dates.

15. TIME. Time is of the essence of this Agreement and every term, covenant and condition herein contained.

16. RIGHTS OF SUCCESSOR AND ASSIGNS. The covenants and agreements contained within this Agreement shall apply, inure to the benefit of, and be binding upon the parties hereto and upon their respective successors in interest and legal representatives.

17. CONSTRUCTION OF LANGUAGE. The word Ahlins shall refer to the individual, individuals, partnership, or corporation called Ahlins. Words of any gender used in this Agreement shall be held to include any other gender, and words in the singular number shall be held to include the plural when the sense requires.

18. PARAGRAPH HEADINGS. The paragraph headings as to the contents of particular paragraphs herein are inserted only for convenience and are in no way to be construed as part of such paragraph or as the limitation on the scope of particular paragraph to which they refer.

19. NOTICE. Any notice required or permitted to be given hereunder shall be deemed sufficient if given by a communication in writing, by United States Mail, postage prepaid and certified, addressed to said party at his last known address.

20. SITUS. This Agreement shall be governed by the laws of the State of Utah. The parties expressly stipulate that all litigation under this Agreement shall be brought in the state courts of Utah County, State of Utah, and the United States District Court for Utah. The parties agree that Utah is both the place of making and the place of performance of this Agreement and the parties consent to jurisdiction in the State of Utah.

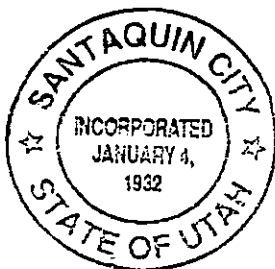
21. SEVERABILITY. In the event any section, paragraph, or portion of this Agreement shall be deemed by any court having lawful jurisdiction of the subject matter of this Agreement to be void, voidable, or invalid for any reason, this Agreement shall be otherwise valid and enforceable as if said void, voidable, or invalid article, section, paragraph, or portion of this Agreement had not been a part hereof in the first instance.

22. AUTHORITY TO BIND. Each person executing this agreement hereby warrants that he has full and legal authority to execute this Agreement for and on behalf of the respective parties, and no further approval or consent of any other person is necessary in connection therewith. Further, each person executing this Agreement covenants and represents that the execution of this Agreement is not in contravention of and will not result in a breach of any other agreement, contract, instrument, order, judgment, or decree to which such person is a party.

23. COUNTERPARTS. This Agreement may be executed in duplicate originals, each of which shall be considered an original. Facsimile copies of this Agreement executed and transmitted by a party shall be binding against such party as an original thereof.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands effective the day and year first above written.

SANTAQUIN CITY:



By: Keith Broadhead
KEITH BROADHEAD-MAYOR

Ted S. Ahlin
TED AHLIN
Mark Ahlin
MARK AHLIN

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

On the ____ day of ____, 1999, personally appeared before me, a Notary Public in and for the State of Utah, **Keith Broadhead, Mayor of Santaquin City**, and _____, the signers of the above instrument, who duly acknowledged to me that they executed the same.

NOTARY PUBLIC

EXHIBIT "A"

SAID PROPERTY SHALL BE IDENTIFIED BY THE CITY AND IS LOCATED
WITHIN THE BELOW-DESCRIBED LEGAL DESCRIPTION .