

Tooele County, Utah

[Reso Date], 2023

The County Council (the "Council") of Tooele County, Utah (the "County"), met in regular session (including by electronic means) on [Reso Date], 2023, at its regular meeting place in Tooele County, Utah at 7:00 p.m., with the following members of the Council being present:

Jared Hamner	Chair
Scott Wardle	Vice Chair
Tye Hoffmann	Councilman
Erik Stromberg	Councilman
Kendall Thomas	Councilman

Also present:

Andy Welch	County Manager
Michael Jensen	County Treasurer
Scott Broadhead	County Attorney
Tracy Shaw	County Clerk

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Resolution had been discussed, the County Clerk presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this [Reso Date], 2023, meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following Resolution was introduced in writing, read in full and pursuant to motion duly made by Councilman _____ and seconded by Councilman _____ adopted by the following vote:

AYE:

NAY:

The resolution was later signed by the Chair and recorded by the County Clerk in the official records of the County. The resolution is as follows:

RESOLUTION CR-23-__

A RESOLUTION OF THE COUNTY COUNCIL (THE "COUNCIL") OF TOOELE COUNTY, UTAH (THE "COUNTY"), RATIFYING THE CREATION OF THE OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICTS NO. 1 THROUGH 4 (THE "DISTRICTS") AS INDEPENDENT DISTRICTS; RATIFYING AND APPROVING A CREATION RESOLUTION, GOVERNING DOCUMENT, AN ANNEXATION AREA, AND INTERLOCAL AGREEMENT, AS PREVIOUSLY APPROVED BY THE CITY COUNCIL (THE "COUNCIL") OF ERDA CITY, UTAH (THE "CITY"); RATIFYING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, a petition (the "Petition") was previously filed with the City requesting adoption by resolution the approval of the creation of public infrastructure districts pursuant to the Public Infrastructure District Act, Title 17D, Chapter 4 Utah Code Annotated 1953, as amended (the "PID Act") and relevant portions of the Limited Purpose Local Government Entities - Local Districts, Title 17B (together with the PID Act, the "Act") within the boundaries of the City and approve an annexation area (the "Annexation Area") which the Districts may annex into or withdrawal therefrom without further approval or hearings of the City or the Council, as further described in Governing Document Exhibit B (as hereinafter defined) for the purpose of financing public infrastructure costs; and

WHEREAS, on July 13, 2023, the City previously adopted a resolution authorizing the creation of the Districts (the "Original Resolution"); and

WHEREAS, the Districts were incorporated on July 26, 2023 upon the issuance of a Certificate of Creation by the Office of the Lieutenant Governor of the State [and recorded in the real property records of County on _____, 2023]; and

WHEREAS, there is a pending lawsuit challenging the City's incorporation which could impact the City's approval of the creation of the Districts; and

WHEREAS, in the event the City was not properly incorporated or the area comprising the District boundaries or annexation area are deemed outside of the City's boundaries, the County would be the proper creating entity for the Districts; and

WHEREAS, the County desires to ratify and approve of the creation of the Districts and the Original Resolution, Governing Document, Interlocal Agreement, and other documents in connection therewith, such that in the event that the City's incorporation is found to be invalid or any affected District area is removed from the City's boundaries, the County will be deemed the creating entity of the Districts for purposes of the Act;

WHEREAS, pursuant to the terms of the Act, the County may create one or more public infrastructure districts by adoption of a resolution of the Council and with consent

of 100% of all surface property owners proposed to be included in the Districts (the “Property Owners”); and

WHEREAS, it is necessary to ratify the creation of the Districts under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, the governance of the Districts shall be in accordance with the PID Act and the terms of a governing document (the “Governing Document”) attached hereto as Exhibit B and an Interlocal Agreement between the City and the District, attached to the Governing Document as Governing Document Exhibit C.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL, AS FOLLOWS:

1. Terms defined in the foregoing recitals shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and by officers of the Council directed toward the creation and establishment of the District, are hereby ratified, approved and confirmed.
2. Creation of the Districts as separate entities from the County in accordance with the Governing Document and the Act is hereby ratified and approved. The boundaries of the Districts shall be as set forth in the Governing Document and the Plat.
3. Pursuant to the terms of the PID Act, the Council does hereby ratify approval of the annexation of any area within the Annexation Area Boundaries into the Districts without any further action of the Council or the County and further approves withdrawal of any area within the Initial District Boundaries (as defined in the Governing Document) or Annexation Area Boundaries from the Districts without any further action, hearings, or resolutions of the Council or the County, upon compliance with the terms of the PID Act and the Governing Document.
4. The Council does hereby ratify the authorization of the Districts to provide services relating to the financing and construction of public infrastructure, including within the Annexation Area upon annexation thereof into the Districts without further request of the Districts to the County to provide such service under 17B-1-407, Utah Code Annotated 1953 or resolutions of the County under 17B-1-408, Utah Code Annotated 1953.
5. It is hereby found and determined by the Council that the creation of the Districts is appropriate to the general welfare, order and security of the County, and the organization of the Districts pursuant to the PID Act is hereby approved.
6. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit C are hereby authorized and approved and the Districts shall be governed by the terms thereof and applicable law.
7. The Boards of Trustees of the Districts (the “District Boards”) shall be composed of 3 Trustees who shall be appointed by the County Council pursuant to the PID

Act. All Trustees shall hold at large seats. Trustee terms for each District shall be staggered with initial terms as follows: Trustee 3 shall serve an initial term of 4 years; Trustees 1 and 2 shall serve an initial term of 6 years. All terms shall commence on the date of issuance of a certificate of creation by the Office of the Lieutenant Governor of the State of Utah. In accordance with the PID Act, appointed Trustees shall not be required to be residents of such District.

8. The Council does hereby authorize the Chair or a Councilman to execute such documents as shall be required to accomplish the actions contemplated herein on behalf of the Council and make any necessary submissions to the Office of the Lieutenant Governor of the State of Utah. In the event the County becomes the Creating Entity, the County agrees to execute the Interlocal Agreement, with the County substituted in place of the City in the Governing Document and Interlocal Agreement and to execute such other documents as may be necessary in connection herewith, including if necessary notices of boundary actions and plats concerning the creation of the Districts.

9. The Council does hereby authorize any Councilman, the County Attorney, or the Manager of the County to make any corrections, deletions, or additions to the Governing Document, the Interlocal Agreement, and the Boundary Notice or any other document herein authorized and approved (including, but not limited to, corrections to the property descriptions therein contained) which may be necessary to conform the same to the intent hereof, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States (provided that the debt and mill levy limitations established therein may not be modified pursuant to this provision).

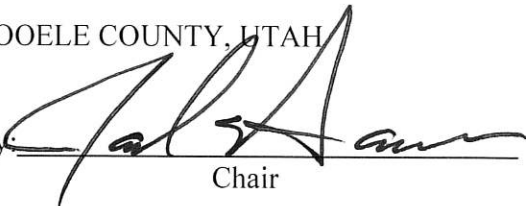
10. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

11. All acts, orders and resolutions, and parts thereof in conflict with this Resolution be, and the same are hereby, rescinded.

12. This resolution shall take effect immediately provided that, in the event that the Plat is not finalized for submission to the Office of the Lieutenant Governor until a date that is more than 30 days after adoption of this Resolution, the effective date of this Resolution will be deemed to be the date the Plat is finalized, as certified in writing by any one of the a Councilman, the County Attorney, or the County Manager.

PASSED AND ADOPTED by the County Council of Tooele County, Utah, this
[Reso Date], 2023.

TOOELE COUNTY, UTAH

By: 
Chair

ATTEST:

By: 
County Clerk



STATE OF UTAH)
 : ss.
COUNTY OF TOOELE)

I, Tracy Shaw, the undersigned duly qualified and acting County Clerk of Tooele County, Utah (the “County”), do hereby certify as follows:

The foregoing pages are a true, correct, and complete copy of the record of proceedings of the County Council (the “Council”), had and taken at a lawful meeting of the Council on [Reso Date], 2023, commencing at the hour of 7:00 p.m., as recorded in the regular official book of the proceedings of the Council kept in my office, and said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein were present at said meeting as therein shown.

All members of the Council were duly notified of said meeting, pursuant to law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the County, this [Reso Date], 2023.

By: _____
County Clerk

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Tracy Shaw, the undersigned County Clerk of Tooele County, Utah (the "County"), do hereby certify that I gave written public notice of the agenda, date, time and place of the regular meeting held by the Council (the "Council") on [Reso Date], 2023, not less than 24 hours in advance of the meeting. The public notice was given in compliance with the requirements of the Utah Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended, by:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the County'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; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, 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 2023 Annual Meeting Schedule for the Council of (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Council of the County to be held during the year, by causing said Notice to be (i) posted on _____, at the principal office of the County, (ii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year, and (iii) in a public location within the County that is reasonably likely to be seen by residents of the County.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this [Reso Date], 2023.

By: _____
Tracy Shaw

SCHEDULE 1

NOTICE OF MEETING AND AGENDA

SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

EXHIBIT B

GOVERNING DOCUMENT

INDEMNIFICATION AGREEMENT
OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICTS NO. 1, 2, 3 AND 4

AGREEMENT dated this 19th day of September, 2023, by and between Tooele County ("County") and Oquirrh Point Public Infrastructure Districts No. 1, 2, 3 and 4 (collectively, "PIDs"), all political subdivisions of the State of Utah.

WHEREAS, Erda City authorized PIDs via resolution dated July 13, 2023, and the Lt. Governor's Office issued a Certificates of Creation for PIDs on July 26, 2023; and

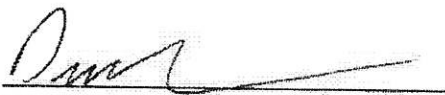
WHEREAS, Erda City is subject to litigation that challenges its incorporation and/or seeks its disincorporation; and

WHEREAS, County intends to authorize a resolution ratifying and approving the creation of PIDs and agreeing to assume the role of Creating Entity for PIDs if Erda City is disincorporated or if PIDs are determined, in whole or in part, to be outside Erda City's boundaries; and


WHEREAS, County desires to avoid legal liability for PIDs' actions and potential legal challenges;

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

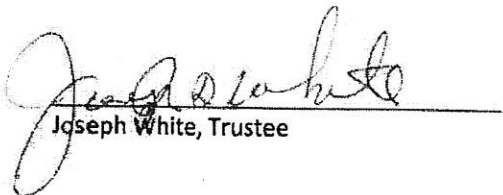
1. County's agreement to assume the role of Creating Entity is good and sufficient legal consideration for this Agreement.
2. PIDs shall individually and collectively indemnify and hold harmless County and its officers and employees from and against all claims arising out of or related to PIDs' actions, creation, or existence.
3. If County is required to defend itself or PIDs in any claim or litigation arising out of or related to PIDs' actions, creation, or existence, PIDs shall individually and collectively indemnify County for all attorneys' fees and costs, and for all adverse judgments or other liabilities.


Derald Anderson, Trustee

9-14-23
Date


Matt Donaldson, Trustee

9/14/23
Date


Joseph White, Trustee

9.13.23
Date

GOVERNING DOCUMENT

FOR

OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NOS. 1, 2, 3 AND 4

ERDA, UTAH

Prepared by

Gilmore & Bell, P.C.
Salt Lake City, Utah

July 13, 2023

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EXHIBIT B	Initial District and Annexation Boundaries Map
EXHIBIT C	Interlocal Agreement between the District and Erda City
EXHIBIT D	Required Notice for Model Homes and Sales Offices

I. INTRODUCTION

A. Purpose and Intent.

The Districts are independent units of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Governing Document, their activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Governing Document. It is intended that the Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements. The Districts are not being created to provide any ongoing operations and maintenance services.

B. Purpose for the Districts.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the Districts that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the Districts has been requested in order for the Public Improvements required for the Project.

C. Objective of the City Regarding Districts' Governing Document.

The City's objective in approving the Governing Document for the Districts is to authorize the Districts to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by one or more of the Districts (or interlocal entity formed by the Districts). All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term and at a tax mill levy no higher than the Maximum Debt Mill Levy and/or repaid by Assessments. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Governing Document is intended to establish a limited purpose for the Districts and explicit financial constraints that are not to be violated under any circumstances. The primary purpose for creating the Districts is to provide for the Public Improvements associated with development and regional needs.

It is the intent that the Districts dissolve upon payment or defeasance of all Debt incurred or upon a determination that adequate provision has been made for the payment of all Debt.

The Districts shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Assessments or from tax revenues collected from a mill levy which shall not exceed the Maximum Debt Mill Levy on taxable properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on taxable properties. The Districts are also permitted to utilize tax increment revenues (if any) for the repayment of Debt. It is the intent of this Governing Document to assure to the extent possible that no taxable property bear an

economic burden that is greater than that associated with the Maximum Debt Mill Levy in amount and that no taxable property bear an economic burden that is greater than that associated with the Maximum Debt Mill Levy Imposition Term in duration even under bankruptcy or other unusual situations. Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the Districts.

II. DEFINITIONS

In this Governing Document, the following terms shall have the meanings indicated below, unless the context hereof clearly requires otherwise:

Annexation Area Boundaries: means the boundaries of the area described in the Annexation Area Boundary Map which have been approved by the City for annexation into or withdrawal from one or more of the District upon the meeting of certain requirements.

Annexation Area Boundary Map: means the map attached hereto as **Exhibit B**, describing the property proposed for annexation into or withdrawal from one or more of the Districts.

Approved Development Plan: means a preliminary development plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the District Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time. For purposes of this Governing Document, the Development Agreement shall constitute an Approved Development Plan, but solely with respect to the property described therein.

Assessment: means assessments levied in an assessment area created within the Districts or a District pursuant to the Assessment Act.

Assessment Act: means Title 11, Chapter 42 of the Utah Code, as amended from time to time and any successor statute thereto.

Board: means the board of trustees of one District or the boards of trustees of all Districts, in the aggregate.

Bond, Bonds or Debt: means bonds or other obligations, including loans of any property owner, for the payment of which any District has promised to impose an *ad valorem* property tax mill levy, and/or collect Assessments.

C-PACE Act: means Title 11, Chapter 42a of the Utah Code, as amended from time to time and any successor statute thereto.

C-PACE Bonds: means bonds, loans, notes, or other structures and obligations of the District issued pursuant to the C-PACE Act, including refunding C-PACE Bonds.

C-PACE Assessments: means assessments levied under the C-PACE Act.

City: means Erda City, Utah

City Code: means the City Code of Erda City, Utah.

City Council: means the City Council of Erda City, Utah.

Developer: means Oquirrh Point Development, LLC, a Utah limited liability company, and its successors and assigns.

Development Agreement: means, collectively, the Development Agreement dated November 4th, 2021 between Tooele County and Oquirrh Point Development, LLC, the First Amendment to the Development Agreement dated April 7th, 2022, between Erda City and Oquirrh Point Development, LLC, and the Second Amendment to the Development Agreement dated August 31st, 2022 between Erda City and Oquirrh Point Development LLC.

District: means any one of the Oquirrh Point Public Infrastructure District No. 1 through 3.

District Act: means the Special District Act and the PID Act.

District No. 1: means the Oquirrh Point Public Infrastructure District No. 1.

District No. 2: means the Oquirrh Point Public Infrastructure District No. 2.

District No. 3: means the Oquirrh Point Public Infrastructure District No. 3.

District No. 4: means the Oquirrh Point Public Infrastructure District No. 4.

Districts: means District No. 1, District No. 2, District No. 3, and District No. 4.

District Area: means the property within the Initial District Boundary Map and the Annexation Area Boundary Map.

End User: means any owner, or tenant of any owner, of any taxable improvement within the Districts, who is intended to become burdened by the imposition of ad valorem property taxes subject to the Maximum Debt Mill Levy. By way of illustration, a resident homeowner, renter, commercial property owner, or commercial tenant is an End User. The business entity that constructs homes or commercial structures is not an End User.

Fees: means any fee imposed by any District for administrative services provided by such District.

Financial Plan: means the Financial Plan described in Section VIII which describes (i) the potential means whereby the Public Improvements may be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

General Obligation Debt: means a Debt that is directly payable from and secured by ad valorem property taxes that are levied by a District and does not include Limited Tax Debt.

Governing Document: means this Governing Document for the Districts approved by the City Council.

Governing Document Amendment: means an amendment to the Governing Document approved by the City Council in accordance with the City's ordinance and the applicable state law and approved by the Boards in accordance with applicable state law.

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

Initial District Boundary Map: means the map attached hereto as **Exhibit B**, describing the initial boundaries of the Districts.

Limited Tax Debt: means a debt that is directly payable from and secured by ad valorem property taxes that are levied by a District which may not exceed the Maximum Debt Mill Levy.

Maximum Debt Mill Levy: means the maximum mill levy any of the Districts is permitted to impose for payment of Debt as set forth in Section VIII.C below.

Maximum Debt Mill Levy Imposition Term: means the maximum term for imposition of a mill levy for any given series of bonds as set forth in Section VIII.D below.

Municipal Advisor: means a consultant that: (i) advises Utah governmental entities on matters relating to the issuance of securities by Utah governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an investment banker or individual recognized as a municipal advisor by the MSRB and the SEC; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Pioneering Agreement: means any interlocal agreement between the District and the City whereby the City agrees to pay impact fees, pioneering agreement fees, connectors fees, or any related fee to the District relating to costs of Public Improvements.

Project: means the development or property commonly referred to as Oquirrh Point.

PID Act: means Title 17D, Chapter 4 of the Utah Code, as amended from time to time and any successor statute thereto.

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the District Area as determined by the Board.

Regional Improvements: means Public Improvements and facilities that benefit the District Area and which are to be financed pursuant to Section VII below.

State: means the State of Utah.

Special District Act: means Title 17B of the Utah Code, as amended from time to time and any successor statute thereto.

Taxable Property: means real or personal property within the District Area subject to ad valorem taxes imposed by the Districts.

Tax Increment Revenue: means tax increment revenues generated and available for use under the applicable provisions of the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C, of the Utah Code as amended from time to time and any successor statute thereto.

Trustee: means a member of the Board.

Utah Code: means the Utah Code Annotated 1953, as amended.

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 0.28 acres, comprised of approximately 0.07 acres for District No. 1, 0.07 acres for District No. 2, 0.07 acres for District No. 3, and 0.07 acres for District No. 4. The Annexation Area Boundaries includes approximately 875 acres, and includes the Initial District Boundaries. A legal description of the Initial District Boundaries and the Annexation Area Boundaries is attached hereto as **Exhibit A**. A map of the Initial District Boundaries and Annexation Area Boundaries is attached hereto as **Exhibit B**. It is anticipated that the District's boundaries may change from time to time as it undergoes annexations and withdrawals pursuant to Section 17B-4-201, Utah Code, subject to Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The District Area consists of approximately 875.63 acres of undeveloped land. The current assessed valuation as of 2022 of the District Area is \$15,298,013 for purposes of this Governing Document and, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan.

Approval of this Governing Document by the City does not imply approval of the development of a specific area within the Districts, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Governing Document or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Governing Document Amendment.

The Districts shall have the power and authority to provide the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the District

Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. Public Improvements. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the City or other appropriate public entity or owners association in a manner consistent with services provided by such entity, the Approved Development Plan and other rules, regulations, and directions of the City and applicable provisions of the City Code. The Districts shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

2. Required Payments; Improvements.

(a) The Developer shall pay the City \$1,200,000 in accordance with the terms of the Development Agreement, on or before such time as a District first issues Debt. Such amounts are not permitted to be paid by a District.

(b) At or before such time as the Districts have issued an aggregate amount of Twenty-Five Million Dollars (\$25,000,000) of Limited Tax Debt, the Districts must have arranged for the financing of the construction of the 33rd Parkway road improvements, which shall be constructed in accordance with any applicable requirements of an Approved Development Plan.

3. Construction Standards Limitation. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

4. Procurement. The Districts shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. Notwithstanding this requirement, the Districts may acquire completed or partially completed improvements for fair market value as reasonably determined by a third-party engineer that who certifies in writing as part of such fair market value determination that they are independent of such District and the developer.

5. Municipal Advisor Certification. Prior to the issuance of any Debt, a District shall obtain the certification of a Municipal Advisor substantially as follows:

We are [I am] a Municipal Advisor within the meaning of the District's Governing Document.

We [I] certify that (1) the net effective interest rate to be borne by [insert the designation of the Debt] does not exceed a reasonable

current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

6. Annexation and Withdrawal.

(a) The Districts shall not include within any of their boundaries any property outside the District Area without the prior written consent of the City. The City, by approval of this Governing Document, has consented to the annexation of any area within the Annexation Area Boundaries into any of the Districts. Such area may only be annexed if (1) such District has obtained consent of all property owners and registered voters, if any, within the area proposed to be annexed, (2) there exists an Approved Development Plan with respect to the property proposed to be annexed, (3) such property is within the boundaries of the City or the County has approved of the Annexation, and (4) the passage of a resolution of such District's Board approving such annexation.

(b) The City, by approval of this Governing Document, has consented to the withdrawal of any area within the District Boundaries from one or more of the Districts. Such area may only be withdrawn upon such District obtaining consent of all property owners and registered voters, if any, within the area proposed to be withdrawn and the passage of a resolution of such District's Board approving such annexation.

(c) Any annexation or withdrawal shall be in accordance with the applicable requirements of the District Act.

(d) Notwithstanding the forgoing, in the event that District No. 4 imposes or intends to impose a mill levy in excess of 0.004 per dollar of taxable value, District No. 4 shall not be permitted to annex any property which is intended to be used for residential purposes without the written consent of the City. Further, the City may, in its discretion, deny zoning or building permits for residential units within District No. 4 if District No. 4 imposes or intends to impose a mill levy in excess of 0.004 per dollar of taxable value.

(e) Upon any annexation or withdrawal, such District shall provide the City a description of the revised District Boundaries.

7. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy of the applicable Districts. Additionally, without the written consent of the City, the Districts shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the Districts.

8. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the Districts shall not: (a) issue any Debt; nor (b) impose

a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Assessments used for the purpose of repayment of Debt.

9. Total Debt Issuance Limitation. The Districts shall not issue Limited Tax Debt in excess of an aggregate amount of Forty-Five Million Dollars (\$45,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of Limited Tax debt by the Districts. The Total Debt Issuance Limitation does not apply to the Districts' pledge of its property tax revenues to the Debt of one of the other Districts. In addition, any Assessment Debt or C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of Assessment Debt or C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the applicable Assessment Act.

10. Bankruptcy Limitation. All of the limitations contained in this Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Governing Document with conditions pursuant to Section 17D-4-201(5), Utah Code. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Governing Document Amendment; and

(b) Are, together with all other requirements of Utah law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable non-bankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Governing Document and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Governing Document Amendment.

11. Enforcement; Governing Document Amendment Requirement.

(a) The City shall be entitled to all remedies available under State and local law to enjoin actions of the Districts which violate the limitations set forth herein or in the Interlocal Agreement. A violation or breach of the Interlocal Agreement shall constitute a violation of this Governing Document and entitle the City to exercise any or all remedies provided for herein.

(b) This Governing Document has been designed with sufficient flexibility to enable the Districts to provide required facilities under evolving circumstances without the need for numerous amendments. The City shall be entitled to all remedies available under State and local law to enjoin actions of the Districts which violate the limitations set forth herein.

(c) Subject to the limitations and exceptions contained herein, this Governing Document may be amended by passage of a resolutions of the City and the Districts approving such amendment. The City may, in the City's discretion, approve amendments to this Governing Document for one or more individual District without approval of the other Districts.

B. Preliminary Engineering Survey.

The Districts shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the Districts, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the District Area and is approximately One Hundred Fifty-Six Million Dollars (\$156,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and/or any other applicable public entity and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

C. Multiple District Structure.

It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions to be performed by each District may be clarified in one or more interlocal agreements between and among the Districts.

VI. THE BOARD OF TRUSTEES

A. Board Composition. Each Board shall be composed of 3 Trustees who shall be appointed by the City Council pursuant to the PID Act. All Trustees shall hold at large seats. Trustee terms for each District shall be staggered with initial terms as follows: Trustee 3 shall serve an initial term of 4 years; Trustees 1 and 2 shall serve an initial term of 6 years. All terms shall commence on the date of issuance of a certificate of creation by the Office of the Lieutenant Governor of the State of Utah. In accordance with the PID Act, appointed Trustees shall not be required to be residents of such District.

B. Future Board Composition.

1. District Nos. 1-3: At the time of annexation of property into District Nos. 1, 2, or 3, such District shall estimate the total number of residential units within the District at full buildout of the property within the District (the "Anticipated Units"). Upon any annexation or withdrawal in accordance with this Governing Document, any affected District may adjust its Anticipated Units to reflect such boundary change. Respective board seats shall transition from appointed to elected seats according to the following milestones:

(a) Trustee 1 shall transition to an elected seat upon certificates of occupancy being issued for 50% of the Anticipated Units.

(b) Trustee 2 shall transition to an elected seat upon certificates of occupancy being issued for 75% of the Anticipated Units.

(c) Trustee 3 shall transition to an elected seat upon certificates of occupancy being issued for 90% of the Anticipated Units.

2. District No. 4: As District No. 4 is not anticipated to have any registered voters, the respective board seats for the District No. 4 Board shall continue to be appointed by the City from the candidates recommended by owners of land within District No. 4 and comprised of owners of land or their agents and officers who are registered voters at their principal residence.

C. Transition Timeline. No transition pursuant to this Section shall become effective until the next scheduled regular election of the District after the expiration of such Board members current term.

D. Reelection and Reappointment. Upon the expiration of a Trustee's respective term, any seat which has not transitioned to an elected seat shall be appointed by the City Council pursuant to the PID Act and any seat which has transitioned to an elected seat shall be elected pursuant to an election held for such purpose. In the event that no qualified candidate files to be considered for appointment or files a declaration of candidacy for a seat, such seat may be filled in accordance with the Special District Act.

E. Vacancy. Any vacancy on the Board shall be filled pursuant to the Special District Act.

F. Compensation. Unless otherwise permitted by the PID Act, only Trustees who are residents of the District may be compensated for services as Trustee. Such compensation shall be in accordance with State Law.

G. Conflicts of Interest. Trustees shall disclose all conflicts of interest. Any Trustee who discloses such conflicts in accordance with 17D-4-202 and 67-16-9, Utah Code, shall be entitled to vote on such matters.

VII. REGIONAL IMPROVEMENTS

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements.

VIII. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts. In addition, the District shall be permitted to finance the prepayment of impact fees for the Project. The Financial Plan for the Districts shall be to issue such Debt as the Districts can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Assessments, Tax Increment Revenues, and other legally available revenues. The Districts shall not issue Limited Tax Debt in excess of an aggregate amount of Forty-Five Million Dollars (\$45,000,000). The total Debt shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. Any portion of bonds issued to refund a prior issuance of debt by the Districts shall not count against the permitted total Debt. The Limited Tax Debt Issuance Limitation does not apply to the Districts' pledge of its property tax revenues to the Debt of one of the other Districts. In addition, any Assessment Debt or C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of Assessment Debt or C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the applicable Assessment Act. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all Taxable Property within the District and Assessments. The District may also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, penalties, or charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. The maximum interest rate on any Debt is not to exceed twelve percent (12%). The maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Governing Document, State law and Federal law as then applicable to the issuance of public securities. The foregoing maximum interest rate and underwriting discount may be waived in writing by the City.

C. Maximum Debt Mill Levy.

(a) The "Maximum Debt Mill Levy," which is the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Limited Tax Debt and administrative expenses, shall be (i) with respect to District No. 1, District No. 2, and District No. 3, 0.004 per dollar of taxable value of taxable property in such Districts and (ii) with respect to District No. 4, 0.010 per dollar of taxable value of taxable property in such District; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code. Further, the Districts may not impose mill levies which aggregate in excess of each Districts' respective Maximum Debt Mill Levy; provided that such levies shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code.

(b) Such Maximum Debt Mill Levy may only be amended pursuant to a Governing Document Amendment and as provided in Section 17D-4-202, Utah Code.

D. Maximum Debt Mill Levy Imposition Term.

Each Bond issued by the Districts shall mature within thirty-one (31) years from the date of issuance of such Bond. In addition, no mill levy may be imposed for the repayment of a series of bonds after a period exceeding forty (40) years from the year of the first imposition of a mill levy with respect to such Bond (the "Maximum Debt Mill Levy Imposition Term").

E. Debt Repayment Sources.

(a) The Districts may impose a mill levy on Taxable Property within their boundaries, up to the Maximum Mill Levy, as a primary source of revenue for repayment of debt service. The Districts may also rely upon various other revenue sources authorized by law. At the Districts' discretion, these may include the levy of ad valorem property taxes, the use of Tax Increment Revenue, amounts received pursuant to the Pioneering Agreement, the power to assess Assessments, and the power to impose fees, penalties, and charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time. Except as described in Section VIII.C(a), the debt service mill levy in the Districts shall not exceed the Maximum Debt Mill Levy or, the Maximum Debt Mill Levy Imposition Term, except for repayment of General Obligation Debt.

(b) All Assessments (other than Assessments under the C-PACE Act) imposed by any District on a residential parcel shall be payable at or before the time a building permit is issued with respect to such parcel. Any Assessments issued under the C-PACE Act may be repayable in accordance with the provisions of such act.

(c) The City and the Districts shall enter into one or more Pioneering Agreements, whereby the City shall agree to remit to the Districts impact fees relating to costs of Public Improvements. Such Pioneering Agreements shall apply so long as the Districts have Limited Tax Debt outstanding and to any individual or entity that is not subject to property taxes or Assessments of the Districts. The City shall remit impact fees to the Districts on at least a quarterly basis. Amounts remitted by the City may be net of the reasonable collections costs of the City relating thereto.

(d) The District shall not be permitted to charge an End User the costs of any portion of a Public Improvement for which such End User has already paid or is presently obligated to pay through any combination of mill levy or Assessment. This provision shall not prohibit the division of costs between mill levies and Assessments, but is intended to prevent double taxation of End Users for the costs of Public Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the Districts shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the

resolution of the District authorizing the issuance of this Bond and in the Governing Document for creation of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Governing Document shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, a developer of property within the boundaries of the Districts.

G. Security for Debt.

The Districts shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Governing Document. Approval of this Governing Document shall not be construed as a guarantee by the City of payment of any of the Districts' obligations; nor shall anything in the Governing Document be construed so as to create any responsibility or liability on the part of the City in the event of default by the Districts in the payment of any such obligation.

H. Districts' Operating Costs.

The estimated cost of acquiring land, engineering services, legal services and administrative services, together with the estimated costs of the Districts' organization and initial operations, are anticipated to be Seventy-Five Thousand Dollars (\$75,000), which will be eligible for reimbursement from Debt proceeds.

In addition to the capital costs of the Public Improvements, the Districts will require operating funds for administration and to plan and cause the Public Improvements to be constructed. The first year's operating budget is estimated to be approximately Fifty Thousand Dollars (\$50,000) which is anticipated to be derived from property taxes and other revenues.

I. Bond and Disclosure Counsel; Municipal Advisor.

The District agrees it will use nationally recognized Bond Counsel and Municipal Advisory firms experienced in the issuance of public infrastructure district debt in the issuance of all debt.

IX. ANNUAL REPORT

A. General.

Each of the District shall be responsible for submitting an annual report to the City Recorder's Office no later than 210 days following the end of such District's fiscal year, beginning with fiscal year 2023.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of the last day of the prior fiscal year, if changed.

2. List of current interlocal agreements, if changed (to be delivered to the Creating Entity upon request);
3. Names and terms of Board members and officers and progress towards milestones required for transition to elected Board;
4. District office contact information, if changed;
5. Rules and regulations of the District regarding bidding, conflict of interest, contracting, and other governance matters, if changed;
6. A summary of any litigation which involves the District as of the last day of the prior fiscal year, if any;
7. Status of the District's construction of the Public Improvements as of December 31 of the prior year and listing all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of the last day of the prior fiscal year;
8. A table summarizing total debt authorized and total debt issued by the District as well as any presently planned debt issuances;
9. Official statements of current outstanding bonded indebtedness, if not previously provided to the City;
10. Current year budget; and
11. Financial statements of the District for the most recent completed fiscal year (such statements shall be audited if required by bond documents or statute).

X. DISSOLUTION

Upon repayment of defeasance of the Debt of a District, such District agrees to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution of a District occur until such District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes.

XI. DISCLOSURE TO PURCHASERS

(a) Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation, each Board shall record a notice with the recorder of Tooele County. Such notice shall (i) contain a description of the boundaries of the District, (ii) state that a copy of this Governing Document is on file at the office of the City, (iii) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (iv) state the Maximum Debt Mill Levy of the District; and (v) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. Such notice shall further be filed with the City.

(b) The Developer and the Board shall ensure that the Developer, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants:

- (1) All of the information in (a) of this XI;
- (2) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

“Under the maximum property tax rate of the District, **for every \$100,000 of taxable value**, there would be an **additional annual property tax of [\$400 [FOR DISTRICT NOS. 1, 2, AND 3]] [\$1,000 [FOR DISTRICT NO. 4]]** for the duration of the District’s Bonds.”

- (3) Such disclosures shall be contained on a separate, orange-colored page of the applicable closing or lease documents and shall require a signature of such purchaser and/or tenant acknowledging the foregoing.

(c) The Developer and the Board shall ensure that the Developer, homebuilders, commercial developers, and commercial lessors, as applicable post a notice , in the same form and size (or larger) as the form attached as **Exhibit D** in a conspicuous area on orange-colored paper within all model homes and sales offices within the Districts.

XII. INTERLOCAL AGREEMENT

The form of the Interlocal Agreement required by the City Code, relating to the limitations imposed on the Districts’ activities, is attached hereto as **Exhibit C**. In the event of any conflict between the terms this Governing Document and the Interlocal Agreement, this Governing Document shall control. The Districts shall approve the Interlocal Agreement in the form attached as **Exhibit C** at their first Board meeting after its creation. Failure of the District to execute the Interlocal Agreement as required herein shall constitute a material modification and shall require a Governing Document Amendment. The City Council shall approve the Interlocal Agreement in the form attached as **Exhibit C** at the public hearing approving the Governing Document.

EXHIBIT A

Legal Descriptions

District No. 1

A parcel of land, situate in the Northwest Quarter of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in Erda, Tooele County, Utah, more particularly described as follows:

Beginning at a point on the north line of Erda Way, said point being North 89°39'31" East 1,451.60 feet along the Quarter Section Line and North 15.73 feet from the West Quarter Corner of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence North 0°30'05" West 60.00 feet;

thence North 89°58'55" East 50.26 feet;

thence South 0°01'05" East 60.00 feet, to the north line of Erda Way;

thence South 89°58'55" West 49.75 feet along said north line, to the Point of Beginning.

Contains 3,000 square feet or 0.07 acres.

District No. 2

A parcel of land, situate in the Northwest Quarter of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in Erda, Tooele County, Utah, more particularly described as follows:

Beginning at a point on the north line of Erda Way, said point being North 89°39'31" East 1,501.35 feet along the Quarter Section Line and North 15.45 feet from the West Quarter Corner of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence North 0°01'05" West 60.00 feet;

thence North 89°58'55" East 50.00 feet;

thence South 0°01'05" East 60.00 feet, to the north line of Erda Way;

thence South 89°58'55" West 50.00 feet along said north line, to the Point of Beginning.

Contains 3,000 square feet or 0.07 acres.

District No. 3

A parcel of land, situate in the Northwest Quarter of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in Erda, Tooele County, Utah, more particularly described as follows:

Beginning at a point on the north line of Erda Way, said point being North 89°39'31" East 1,551.35 feet along the Quarter Section Line and North 15.17 feet from the West Quarter Corner of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence North 0°01'05" West 60.00 feet;

thence North 89°58'55" East 50.00 feet;

thence South 0°01'05" East 60.00 feet, to the north line of Erda Way;

thence South 89°58'55" West 50.00 feet along said north line, to the Point of Beginning.

Contains 3,000 square feet or 0.07 acres.

District No. 4

A parcel of land, situate in the Northwest Quarter of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in Erda, Tooele County, Utah, more particularly described as follows:

Beginning at a point on the north line of Erda Way, said point being North 89°39'31" East 1,601.35 feet along the Quarter Section Line and North 14.88 feet from the West Quarter Corner of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence North 0°01'05" West 60.00 feet;

thence North 89°58'55" East 50.00 feet;

thence South 0°01'05" East 60.00 feet, to the north line of Erda Way;

thence South 89°58'55" West 50.00 feet along said north line, to the Point of Beginning.

Contains 3,000 square feet or 0.07 acres.

Annexation Area

ERDA ESTATES PARCEL

PARCEL #01-421-0-0012

A parcel of land, situate in the South Half of Section 33 and the Southwest Quarter of Section 32, Township 2 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in Erda Township, Tooele County, Utah, more particularly described as follows:

Beginning at the South Quarter Corner of Section 33, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence South 89°39'24" West 2,626.28 feet along the Section line and the North line of Lakeview Ranchettes to the East line of Cochrane Lane;

thence North 0°33'35" West 1,308.01 feet along said East Line; thence North 89°32'00" East 3,097.15 feet;

thence North 1°22'00" West 1.61 feet to the Southwest corner of Lot 4 of the Excelsior Academy Subdivision, as recorded November 28, 2017, under Entry no. 458984, in the Tooele County Recorder's Office;

thence North 89°37'30" East 2,106.60 feet, along the South line of said Lot 4, to the West line of State Route 36;

thence South 0°24'53" East 1,317.45 feet, along said State Route 36 to said Section line and said North line of Lakeview Ranchettes;

thence South 89°39'24" West 2,574.14 feet along said Section line and said North line to said South Quarter Corner of Section 33 and to the Point of Beginning;

Contains 6,833,341 square feet or 156.87 acres.

OQUIRRH POINT PARCELS

PARCEL #01-401-0-0007, 01-401-0-000R, 01-401-0-0001, 01-401-0-0002, 01-422-0-0014, 01-422-0-0009, AND 01-422-0-0005

A parcel of land, situate in the North half of Section 3, Township 3 South, Range 4 West, and West half Section 34, the South half of Section 33, and the Southeast Quarter of Section 32, Township 2 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in City of Erda, Tooele County, Utah, more particularly described as follows:

Beginning at the South Quarter Corner of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence North 89°39'26" East 2,641.18 feet along the Section line to the Southeast Corner of said Section 34;

thence South 0°25'27" East 1,324.43 feet along the section line to the 40 acre line;

thence South 89°38'53" West 2,641.22 feet to and along the North line of Brookfield Estates Subdivision,

Entry No 231748 in the Tooele County Recorder's Office, and along the said 40 acre line to the Quarter Section line; thence South 0°25'21" East 1,324.85 feet along the West line of said Brookfield Estates Subdivision and along the said Quarter Section line to the Center of said Section 3;

thence South 89°38'21" West 2,510.37 feet to the West line of State Route 36;

thence North 0°24'53" West 1,979.96 feet along the said West line to the South line of DR Davis PUD Amended, Entry No 252513 in the Tooele County Recorder's Office;

thence North 89°39'30" East 908.42 feet along the said South line to the East line of DR Davis PUD Amended;

thence North 0°25'43" West 670.59 feet along the said East line to the North line of DR Davis PUD Amended to the North line of DR Davis PUD and the Section line;

thence South 89°39'30" West 908.26 feet along the North line of DR Davis PUD and along said Section line to the East line of State Route 36;

thence North 0°24'53" West 1,324.82 feet said East line to the 40 acre line and to a Boundary Line Agreement, Entry No 495810 in the Tooele County Recorder's Office;

thence North 89°39'31" East 1,195.78 feet along said 40 acre line and Boundary line agreement;

thence North 0°04'19" East 1,275.24 feet along said Boundary Line Agreement to the South line of Erda Way;

thence North 89°58'55" East 118.48 feet along said South line; thence North 0°30'05" West 698.08 feet;

thence South 89°01'30" West 133.69 feet;

thence North 0°14'53" West 678.54 feet;

thence North 89°39'34" East 1,323.89 feet to the Quarter Section line;

thence South 0°19'32" East 1,310.96 feet along said Quarter Section line to the North line of Erda Way; thence South 89°46'23" West 58.00 feet along said North line;

thence North 0°19'32" West 146.90 feet;

thence South 89°40'28" West 100.00 feet;

thence South 0°19'32" East 146.73 feet to said North line of Erda Way; thence South 89°46'23" West 203.50 feet along said North line;

thence South 0°19'31" East 409.01 feet;

thence North 89°40'29" East 361.50 feet to the Quarter Section line;

thence South 0°19'31" East 2,255.13 feet along said Quarter Section line to the Point of Beginning.

Contains 16,105,648 square feet or 369.73 acres.

DRIVE IN PARCEL

PARCEL #01-422-0-0012

A parcel of land, situate in the Northwest Quarter of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in the City of Erda, Tooele County, Utah, more particularly described as follows:

Beginning at a point located North 89°39'31" East 660.68 feet along the Section line and North 0°20'29" West 20.19 feet from the South Quarter Corner of Section 34, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence South 89°58'55" West 81.59 feet along the North Right of Way line of Erda Way this call and the following 2 calls;

thence North 0°01'05" West 2.00 feet;

thence South 89°58'55" West 420.35 feet to the Easterly line of State Route 36;

thence North 54°36'54" West 86.31 feet along said Easterly line this call and the following call;

thence North 0°24'58" West 584.58 feet;

thence North 89°39'32" East 572.90 feet;

thence South 0°19'43" East 639.80 feet to the Point of Beginning.

Contains 362,576 square feet or 8.32 acres.

NORTH SHIELDS PARCEL

PARCEL #01-401-0-0008

SW 1/4 of Section 3, T3S, R4W, SLB&M ---- Less 3.00 AC in County Road --- Less 4.73 AC in State Hwy 36 #220547 932/62 (Balance of 3-7-2 After PT to UDOT for 2005 year.) 152.31 AC.

SOUTH SHIELDS PARCEL

PARCEL #03-014-0-0001

A parcel of land, situate in the Northeast Quarter of Section 3, Township 3 South, Range 4 West, Salt Lake Base and Meridian, said parcel also located in the Tooele County, Utah, more particularly described as follows:

The Northeast Quarter of Section 10, Township 3 South, Range 4 West, Salt Lake Base and Meridian, less and excepting therefrom 2 acres lying within existing county roads, 9 acres deeded to the Rail Road and 3 acres deeded to Tooele County.

TEALBY VILLAGE PARCEL

PARCEL #19-097-0-0004

Beginning at point on the south line of the established Erda Way, a Tooele County Road, and at the Northeast corner of Lot 2 of the Evan Coon Minor Subdivision, as recorded February 24, 1999, under Entry no. 126918, in Book 555, Page 494, in the Tooele County Recorder's Office, which point is located South 89°39'27" West 315.40 feet along the Quarter Section line, and South 0°30'00" East 58.95 feet from the East Quarter Corner of Section 33, Township 2 South, Range 4 West, Salt Lake Base and Meridian, and running:

thence South 0°30'00" East 145.25 feet along the boundary of said subdivision, following closely an existing fence line;

thence South 89°48'18" East 242.42 feet along said boundary, following closely an existing fence line to the West line of State Road 36 right-of-way;

thence South $0^{\circ}24'53''$ East 1,125.71 feet along said right-of-way to an existing fence tee;
thence South $89^{\circ}37'30''$ West 1,109.64 feet along said boundary, following closely an existing
fence line to an extension of the West line of a future road Right of Way; thence North 1246.82 feet to and along said West line;
thence Northwesterly 39.47 feet along the arc of a 25.00 feet radius non-tangent curve to the left (center bears West and the long chord bears North $45^{\circ}13'59''$ West 35.50 feet through a central angle of $90^{\circ}27'58''$) to the South line of Erda Way;
thence North $89^{\circ}32'00''$ East 883.01 feet along said South line to the Point of Beginning.

Contains 1,153,335 square feet or 26.48 acres.

EXHIBIT B

Initial District and Annexation Area Boundaries Map

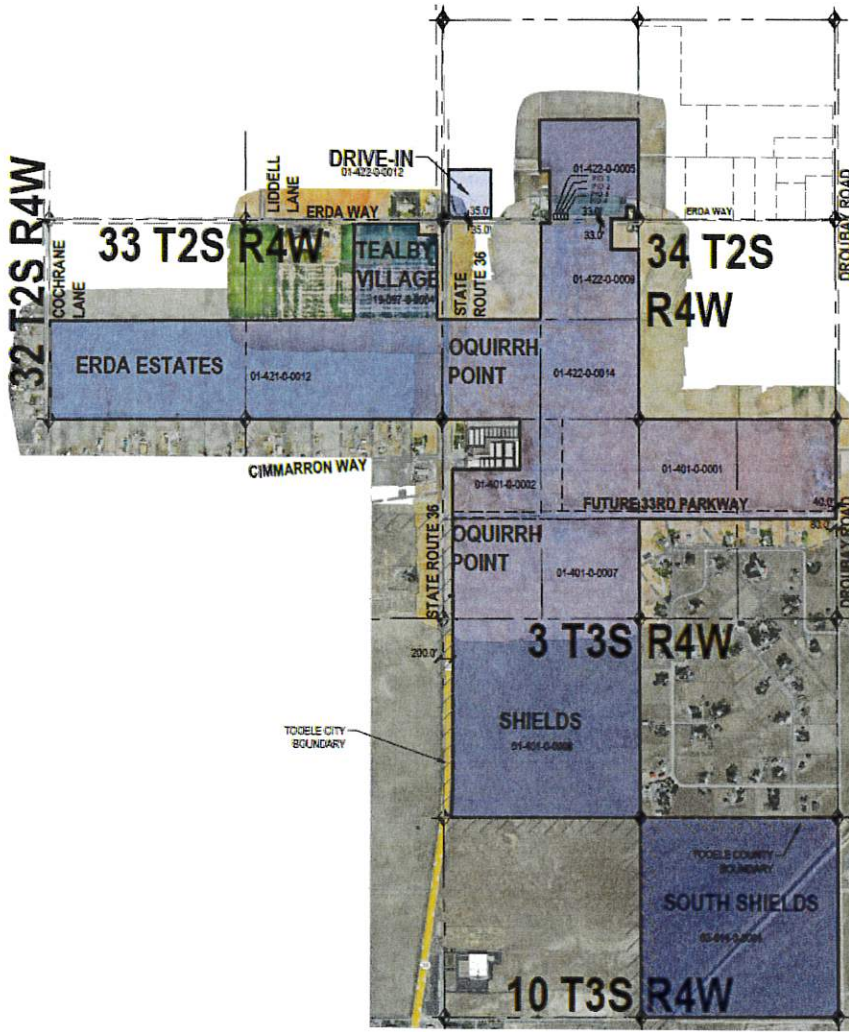


EXHIBIT C

Interlocal Agreement between the Districts and Erda City

INTERLOCAL AGREEMENT BETWEEN

ERDA CITY, UTAH

AND

OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 1

AND

OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 2

AND

OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 3

AND

OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 4

THIS AGREEMENT is made and entered into as of this 13 day of July, 2023, by and between the ERDA CITY, a political subdivision of the State of Utah (“City”), OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 1, a political subdivision of the State of Utah (“District No. 1”), OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 2, a political subdivision of the State of Utah (“District No. 2”), OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 3, a political subdivision of the State of Utah (“District No. 3”), and OQUIRRH POINT PUBLIC INFRASTRUCTURE DISTRICT NO. 4, a political subdivision of the State of Utah (“District No. 4” and together with District No. 1, District No. 2, and District No. 3, the ”Districts”). The City and the Districts are collectively referred to as the Parties.

RECITALS

WHEREAS, the Districts were organized to provide to exercise powers as are more specifically set forth in the Districts’ Governing Document approved by the City on July 13, 2023 (“Governing Document”); and

WHEREAS, the Governing Document makes reference to the execution of an Interlocal Agreement between the City and the Districts; and

WHEREAS, the City and the Districts have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Interlocal Agreement (“Agreement”).

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

COVENANTS AND AGREEMENTS

1. Public Improvements. The Districts shall dedicate the Public Improvements (as defined in the Governing Document) to the City or other appropriate jurisdiction in a manner consistent with services provided by such entity, the Approved Development Plan and other rules, regulations, and directions of the City and applicable provisions of the City Code. The Districts

shall be authorized, but not obligated, to own Public Improvements not otherwise required to be dedicated to the City or other public entity, and all necessary equipment and appurtenances incident thereto.

2. Required Payments; Improvements.

(a) The Developer shall pay the City \$1,200,000 in accordance with the terms of the Development Agreement, before such time as a District first issues Debt. Such amounts are not permitted to be paid by a District.

(b) At or before such time as the Districts have issued an aggregate amount of Twenty-Five Million Dollars (\$25,000,000) of Limited Tax Debt, the Districts must have arranged for the financing of the construction of the 33rd Parkway road improvements, which shall be constructed in accordance with any applicable requirements of an Approved Development Plan.

3. Construction Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction, as applicable. The Districts will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

4. Municipal Advisor Certification. Prior to the issuance of any Debt, the Districts shall obtain the certification of a Municipal Advisor substantially as follows:

We are [I am] a Municipal Advisor within the meaning of the District's Governing Document.

We [I] certify that (1) the net effective interest rate to be borne by [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

5. Inclusion Limitation. The Districts shall not include within any of their boundaries any property outside the District Area without the prior written consent of the City. By the Governing Document, the City has consented to the annexation or withdrawal of any area within the Annexation Area into or from the District Boundaries. The Districts shall not include within any of its boundaries any property inside the inclusion area boundaries without compliance with the requirements of the Governing Document.

6. Overlap Limitation. The boundaries of the Districts shall not overlap unless the aggregate mill levy for payment of Debt of the overlapping Districts will not at any time exceed the Maximum Debt Mill Levy applicable to such Districts. Additionally, without the written consent of the City, the Districts shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area which will overlap the

boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

7. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Governing Document), the Districts shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

8. Total Debt Issuance. The Districts shall not issue Limited Tax Debt in excess of an aggregate amount of Forty-Five Million Dollars (\$45,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of Limited Tax Debt by the Districts. In addition, this limitation does not apply to the District's pledge of its property tax revenues to the Debt of one of the other Districts. In addition, any Assessment Debt or C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of Assessment Debt or C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the applicable Assessment Act.

9. Bankruptcy. All of the limitations contained in this Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Governing Document with conditions pursuant to Section 17D-4-201(4), Utah Code. It is expressly intended that such limitations:

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Governing Document Amendment; and

(b) Are, together with all other requirements of Utah law, included in the "political or governmental powers" reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the "regulatory or electoral approval necessary under applicable nonbankruptcy law" as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

Any Debt, issued with a pledge or which results in a pledge, that exceeds the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term, shall be deemed a material modification of this Governing Document and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Governing Document Amendment.

10. Dissolution. Upon an independent determination of the City Council that the purposes for which the Districts were created have been accomplished, the Districts agree to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

11. Disclosure to Purchasers.

(a) Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation, each Board shall record a notice with the recorder of Tooele County. Such notice shall (i) contain a description of the boundaries of the District, (ii) state that a copy of this Governing Document is on file at the office of the City, (iii) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (iv) state the Maximum Debt Mill Levy of the District; and (v) if applicable, stating that the Debt may be converted to General Obligation Debt and outlining the provisions relating to such conversion. Such notice shall further be filed with the City.

(b) The Developer and the Board shall ensure that the Developer, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants:

- (1) All of the information in (a) of this Section 11;
- (2) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

“Under the maximum property tax rate of the District, **for every \$100,000 of taxable value**, there would be an **additional annual property tax of [\$400 [FOR DISTRICT NOS. 1, 2, AND 3]] [\$1,000 [FOR DISTRICT NO. 4]]** for the duration of the District’s Bonds.”

- (3) Such disclosures shall be contained on a orange-colored page of the applicable closing or lease documents and shall require a signature of such purchaser and/or tenant acknowledging the foregoing.

(c) The Developer and the Board shall ensure that the Developer, homebuilders, commercial developers, and commercial lessors, as applicable post a notice, in the same form and size (or larger) as the form attached as **Exhibit D** in a conspicuous area on orange-colored paper within all model homes and sales offices within the Districts.

12. Remedies. The City shall be entitled to all remedies available under State and local law to enjoin actions of the Districts which violate the limitations set forth herein or in the Governing Document. A violation or breach of the Governing Document shall constitute a violation of this Interlocal Agreement and entitle the City to exercise any or all remedies provided for herein.

13. Annual Report. Each District shall be responsible for submitting an annual report to the City Recorder’s Office no later than 210 days after the close of the District’s fiscal year, commencing fiscal year 2023, containing the information set forth in Section IX of the Governing Document.

14. Regional Improvements. The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements.

15. Maximum Debt Mill Levy.

(a) The “Maximum Debt Mill Levy,” which is the maximum mill levy a District is permitted to impose upon the taxable property within such District for payment of Limited Tax Debt and administrative expenses, shall be (i) with respect to District No. 1, District No. 2, and District No. 3, 0.004 per dollar of taxable value of taxable property in such Districts and (ii) with respect to District No. 4, 0.010 per dollar of taxable value of taxable property in such District; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code. Further, the Districts may not impose mill levies which aggregate in excess of each Districts’ respective Maximum Debt Mill Levy; provided that such levies shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code.

(a) Such Maximum Debt Mill Levy may only be amended pursuant to a Governing Document Amendment and as provided in Section 17D-4-202.

16. Maximum Debt Mill Levy Imposition Term. Each bond issued by the Districts shall mature within thirty-one (31) years from the date of issuance of such bond. In addition, no mill levy may be imposed for the repayment of a series of bonds after a period exceeding forty (40) years from the year of the first imposition of a mill levy with respect to such bond (the “Maximum Debt Mill Levy Imposition Term”).

17. Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via United Parcel Service or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts: Oquirrh Point Public Infrastructure District Nos.
1-4
333 E Coventry Way
Stansbury Park, UT 84074
Attn: Derald Anderson
Phone: (801) 845-5214
Email: Derald2319@gmail.com

To the City: Erda City
2163 W Erda Way
Erda, UT 84074
Attn: City Council
Phone: (435) 243-5577

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in

accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

18. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a written agreement duly authorized and executed by the Parties hereto and without amendment to the Governing Document.

19. Assignment. Neither Party hereto shall assign any of its rights nor delegate any of its duties hereunder to any person or entity without having first obtained the prior written consent of the other Party, which consent will not be unreasonably withheld. Any purported assignment or delegation in violation of the provisions hereof shall be void and ineffectual.

20. Default/Remedies. In the event of a breach or default of this Agreement by any Party, the non-defaulting Party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages. In the event of any proceeding to enforce the terms, covenants or conditions hereof, the prevailing Party in such proceeding shall be entitled to obtain as part of its judgment or award its reasonable attorneys' fees.

21. Term. This Agreement shall terminate upon the earlier to occur of dissolution of the Districts or fifty (50) years from the date hereof.

22. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Utah.

23. Conflict. In the event of any conflict between the terms of the Governing Document and this Interlocal Agreement, the Governing Document shall control.

24. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

25. Integration. This Agreement constitutes the entire agreement between the Parties with respect to the matters addressed herein. All prior discussions and negotiations regarding the subject matter hereof are merged herein.

26. Parties Interested Herein. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the Districts and the City shall be for the sole and exclusive benefit of the Districts and the City.

27. Severability. If any covenant, term, condition, or provision under this Agreement shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such covenant, term, condition, or provision shall not affect any other provision contained herein, the intention being that such provisions are severable.

28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which shall constitute one and the same document.

29. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

30. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Governing Document.

[SIGNATURE PAGE TO INTERLOCAL AGREEMENT]

**OQUIRRH POINT PUBLIC
INFRASTRUCTURE DISTRICT NO. 1**

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

**OQUIRRH POINT PUBLIC
INFRASTRUCTURE DISTRICT NO. 2**

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

**OQUIRRH POINT PUBLIC
INFRASTRUCTURE DISTRICT NO. 3**

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

**OQUIRRH POINT PUBLIC
INFRASTRUCTURE DISTRICT NO. 4**

By: _____
Chair

Attest:

Secretary

APPROVED AS TO FORM: _____

ERDA CITY, UTAH

By: _____
Chair

Attest:

Recorder

APPROVED AS TO FORM: _____

EXHIBIT D

Required Notice for Model Homes and Sales Offices

NOTICE: This property is located within the Oquirrh Point Public Infrastructure District No. ____

The District is authorized to impose a property tax of [0.004] **[FOR DISTRICT NOS. 1, 2, AND 3]** [0.010] **[FOR DISTRICT NO. 4]** per dollar of taxable value.

Under the maximum property tax rate of the District, for every \$100,000 of taxable value, there would be an additional annual property tax of [\$400 [FOR DISTRICT NOS. 1, 2, AND 3]] [\$1,000 [FOR DISTRICT NO. 4]] for the duration of the District's Bonds.