

WHEN RECORDED, RETURN TO:

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Gilmore & Bell, P.C.  
15 West South Temple, Suite 1450  
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BLACK DESERT PUBLIC INFRASTRUCTURE DISTRICT  
BLACK DESERT ASSESSMENT AREA #1

DESIGNATION RESOLUTION

DATED AS OF JANUARY 17, 2024

## DESIGNATION RESOLUTION

WHEREAS, the Board of Trustees (the “Board”) of the Black Desert Public Infrastructure District (the “District”), adopted Resolution No. 2024-02 on January 11, 2024, pursuant to which the Board authorized and approved the form of this Designation Resolution; and

BE IT RESOLVED by the Board of Trustees of the Black Desert Public Infrastructure District, as follows:

Section 1. The Board hereby determines that it will be in the best interest of the District to designate an area to finance the costs of publicly owned infrastructure, facilities or systems more specifically described in Section 4 herein, along with other necessary miscellaneous improvements, and to complete said improvements in a proper and workmanlike manner (collectively, the “Improvements”). The Board hereby determines that it is in the best interest of the District to levy assessments against properties benefited by the Improvements to finance the costs of said Improvements. The Board hereby finds that pursuant to the Act, the Improvements constitute a publicly owned infrastructure, facility or system that (i) the District is authorized to provide or (ii) is necessary or convenient to enable the District to provide a service that the District is authorized to provide.

Section 2. Pursuant to the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended and the Public Infrastructure District Act, Title 17D, Chapter 4 of the Utah Code (together, the “Act”), the owners (the “Owners”) of all properties to be assessed within the designated assessment area have voluntarily waived, among other things, all notice and hearing requirements, the right to contest or protest, and the right to have a board of equalization appointed as set forth in the Act, and have consented to (a) the levy of an assessment against their property for the benefits to be received from the Improvements, (b) the designation of the assessment area as herein described, (c) the financing of the Improvements by the District through the issuance of assessment bonds, (d) the acquisition and/or construction of the Improvements, and (e) the method and estimated amount of assessment as set forth herein in accordance with the Acknowledgment, Waiver and Consent Agreement attached hereto as Exhibit A. The properties to be assessed are identified by legal description in Exhibit B attached hereto.

Section 3. The District hereby designates an assessment area which shall be known as the “Black Desert Assessment Area #1” (the “Assessment Area”). Maps and a depiction of the Assessment Area is attached hereto as Exhibit C. The District received an appraisal of the unimproved property (from an appraiser who is a member of the Appraisal Institute) and addressed to the District verifying that the market value of the property, after completion of the Improvements, is at least three times the amount of the assessments proposed to be levied against the unimproved property.

Section 4. The Improvements shall be generally located in and around the map and depiction area attached hereto as Exhibit C. The District plans to finance the costs of publicly owned infrastructure, facilities or systems as part of an approximately 600-acre residential and commercial development (the “Black Desert Development”). The District has previously issued its Limited Tax General Obligation Bonds, Series 2021 (the “Limited Tax Bonds”) to finance a

portion of the improvements within the Black Desert Development and plans to levy the assessments to finance the remainder of the Improvements within the Black Desert Development. The District may elect in the future to issue more Limited Tax Bonds and accordingly reduce the assessments to finance the Improvements. The Improvements are more particularly described as follows:

- Parking improvements, including, but not limited to underground and structured parking facilities.

- Sewer mains, manholes and manhole linings, sewer cleanouts, and laterals (various sizes).

- Water mains, valves, tees/crosses, bends, thrust bonds, fire hydrants, blow offs and appurtenances (various sizes).

- Roads and roadway improvements including, but not limited to, street signage, centerline monuments, conduit crossings, street striping, streetlights and mailboxes.

- Storm drain pipes, junction boxes, inlets, culverts, trash racks, rip-rap and geotextile fabric.

- Amenities, including parks, nature centers, trails, convention centers (if any), and related improvements.

As further engineering, costs, efficiencies, or any other issues present themselves, the District hereby reserves the right to approve reasonable changes to the allocation of expenditures described above and the location and specifications of the Improvements (but not to the Improvements) without obtaining the consent of the property owners within the Assessment Area.

Section 5. Pursuant to the Act, the Board has determined to levy assessments to pay the cost of the Improvements. The assessments are assessed against properties in a manner that reflects an equitable portion of the benefit of the Improvements as required by the Act (and in any event the Owners have consented to such manner without reservation) and shall be payable in annual installments as set forth in the Assessment Ordinance. The District has determined that the reasonable useful life of the Improvements is at least fifty years and that it is in the District and the Owners' best interest for certain property owner installments to be paid for over up to twenty (20) years.

Section 6. After accounting for proceeds of the Limited Tax Bonds, the total remaining acquisition and/or construction cost of the Improvements, including estimated overhead costs, administrative costs, costs of funding reserves, funding capitalized interest, and debt issuance costs, is estimated at \$234,870,000, of which is anticipated to be paid by assessments to be levied against the properties within the Assessment Area to be benefited by such Improvements, which benefits need not actually increase the fair market value of the properties to be assessed. The District expects to finance the cost of the Improvements by issuing assessment bonds (the "Bonds"). The District currently estimates selling the Bonds at a true interest cost interest rate of approximately 6.50% per annum, maturing within twenty (20) years of their date of issuance. Inasmuch as bonds have not been issued, the District notes that the interest rate and annual payment

are only as estimated and not a cap or maximum amount. It is anticipated that the reserve fund will be initially funded with proceeds of the Bonds. The estimated cost of Improvements to be assessed against the benefited properties within the Assessment Area will initially be assessed as follows: (a) for the structured parking properties (the “Parking Zone”), pursuant to a per square foot of structured parking method of assessment (the “Parking Methodology”); (b) for the golf course properties (the “Golf Zone”), on a per acre methodology (the “Acreage Methodology”); and (c) for the residential properties (the “Residential Zone” and together with the Parking Zone and the Golf Zone, each an “Assessment Zone” and collectively, the “Assessment Zones”), pursuant to an equivalent residential unit (“ERU”) methodology (the “ERU Methodology”), each as further described below:

**Parking Zone**

<u>Assessment</u>	<u>Assessment Methodology</u>	<u>Anticipated Total S.F.</u>	<u>Assessment Per S.F. of Structured Parking</u>
\$34,650,000.00	Parking Methodology	513,291	\$67.51

**Golf Zone**

<u>Assessment</u>	<u>Assessment Methodology</u>	<u>Total Acres</u>	<u>Assessment Per Acre</u>
\$17,600,000.00	Acreage Methodology	40.88	\$430,528.38

**Residential Zone**

<u>Assessment</u>	<u>Assessment Methodology</u>	<u>Total ERUs</u>	<u>Assessment Per ERU</u>
\$182,620,000.00	ERU Methodology	713	\$256,129.03

Section 7. As set forth in the Assessment Ordinance, the assessment methodology may, under certain circumstances, be altered in the future.

Section 8. The Board intends to levy assessments as provided in the Act on all parcels and lots of real property within the Assessment Area to be benefited by the Improvements, and the Owners of which have executed the Acknowledgment, Waiver and Consent Agreement described in Section 2 herein. The purpose of the assessment and levy is to finance the cost of the Improvements, which the District will not assume or pay. The existing planning and zoning conditions of the District shall govern the development in the Assessment Area.

The Owners have waived the right to prepay the assessment without interest within twenty-five (25) days after the ordinance levying the assessments becomes effective. A property owner may prepay the assessment as provided in the Assessment Ordinance. The assessments shall be levied against properties in a manner that reflects an equitable portion of the benefit of the Improvements as required by the Act, and in any case, the Owners have consented to such methodology as provided in Section 11-42-409(5) of the Act. Other payment provisions and enforcement remedies shall be in accordance with the Act.

A map of the Assessment Area and the location of the Improvements and other related information are on file in the office of the Secretary/Clerk who will make such information available to all interested persons.

Section 9. The District will collect the Assessments by directly billing each property owner rather than inclusion on a property tax notice.

Section 10. A professional engineer has prepared a “Certificate of Project Engineer,” attached hereto as Exhibit D, which, among other things, identifies the Improvements to be constructed and installed and is available upon request from the District. The findings and determinations set forth in this Resolution are based, in part, upon said Certificate of Project Engineer.

Section 11. The provisions of the Assessment Ordinance shall govern the levy, payment and applicable provisions regarding the assessments notwithstanding anything contained herein to the contrary. As required by Section 11-42-206(3) of the Act, within 15 days of the completion of this Resolution, the Secretary/Clerk shall (i) record an original or certified copy of this designation resolution with Washington County and (ii) where applicable, file with the Washington County Recorder a notice of proposed assessment.

Dated as of January 17, 2024.



BLACK DESERT PUBLIC  
INFRASTRUCTURE DISTRICT

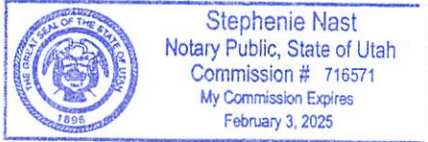
By: *[Signature]*  
Chair

ATTEST:

By: *[Signature]*  
Secretary/Clerk

STATE OF UTAH )  
 : ss.  
COUNTY OF WASHINGTON )

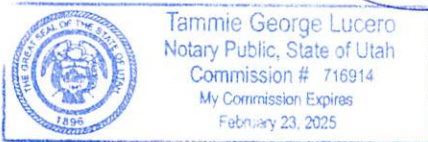
The foregoing instrument was acknowledged before me this January 17, 2024, by Patrick Manning, the Chair of the Board of Trustees of the Black Desert Public Infrastructure District (the "District"), who represented and acknowledged that he signed the same for and on behalf of the District.



  
NOTARY PUBLIC

STATE OF UTAH )  
 : ss.  
COUNTY OF WASHINGTON )

The foregoing instrument was acknowledged before me this January 17, 2024, by Stephanie Nast, the Secretary/Clerk of the Black Desert Public Infrastructure District (the "District"), who represented and acknowledged that she signed the same for and on behalf of the District.



  
NOTARY PUBLIC

EXHIBIT A

ACKNOWLEDGMENT, WAIVER AND CONSENT AGREEMENT

EXHIBIT D

CERTIFICATE OF PROJECT ENGINEER