HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
Heber City Council Meeting

June 16, 2026

4:00 p.m. Work Meeting
6:00 p.m. Regular Meeting

TIME AND ORDER OF ITEMS ARE APPROXIMATE AND MAY BE CHANGED AS TIME PERMITS

I. WORK MEETING - 4:00 P.M.

1. Highlands Proposed PID (Tony Kohler, Community Development Director) - 30 minutes
2. North Village Storm Water Discussion (Russ Funk, City Engineer) - 60 minutes
3. Celebration Housing Development Agreement (Tony Kohler, Community Development Director) - 15 minutes

II. BREAK - 10 MIN

III. REGULAR MEETING - 6:00 P.M.

1. Call to Order
2. Pledge of Allegiance (Morgan Murdock, Council Member)
3. Prayer/Thought by Invitation (Heidi Franco, Mayor)

IV. AWARDS, RECOGNITION, and PROCLAMATIONS:

1. Mayor's Award to Don Taylor, Retiring MAG Trail Coordinator

V. CONFLICT OF INTEREST DISCLOSURE:

VI. PUBLIC HEARINGS: (Council May Take Action Following Public Comment and Upon Conclusion of the Public Hearing)

1. Public Hearing and Possible Adoption of the Final Budget Amendment for Fiscal Year 2026 Resolution 2026-13 (Sara Nagel, Finance Manager)
2. Public Hearing and Possible Adoption of Ordinance 2026-13 Amending the Consolidated Fee Schedule (Sara Nagel, Finance Manager)

VII. PUBLIC COMMENTS: (2 min per person/30 min max)

VIII. CONSENT AGENDA:

1. Contract Award to Morgan Pavement for the Heber City 2026 Pavement Striping Project in the amount of $169,518.00 (Russ Funk, City Engineer)

2. Utah Division of Forestry, Fire and State Lands (FFSL) Cooperative Agreement (Tony Kohler, Community Development Director)

3. Heber City Airport Taxilane Emergency Change Order Authorization (Adam Bunker, Airport Manager)

4. First Addendum to Wasatch Trails Foundation Trail Maintenance Agreement (Jeremy Cook, City Attorney)

IX. GENERAL BUSINESS ITEMS:

1. FY 2026 Fraud Risk Assessment (Sara Nagel, Finance Manager)

X. ACTION ITEMS: (Council can discuss; table; continue; or approve items)

1. Main Street Plaza Concept Design & Scope of Work for Final Drawings (Tony Kohler, Community Development Director, Lars Erickson) - 60 minutes

2. Resolution 2026-15: A Resolution Adopting the Heber Valley Airport Non-Revisionary Form Lease (Matt Brower, City Manager, Jeremy Cook, City Attorney) - 45 minutes

3. Water Conservation Status Report and Resolution 2026-14: A Resolution of the Heber City Council Adopting a Phase of the Heber City Water Shortage Plan (Russ Funk, City Engineer) - 25 minutes

4. Amended and Restated Fixed Based Operator (FBO) Lease (Matt Brower, City Manager) - 30 minutes

XI. RECESS AS THE HEBER CITY COUNCIL AND CONVENE AS THE CRA BOARD:

1. Public Hearing and Possible Adoption of the Final Budget Amendment for Fiscal Year 2026 Heber City CRA Resolution 2026-16 (Sara Nagel, Finance Manager) -

2. Public Hearing for the FY 2027 Heber City Community Redevopment Agency Budget (Sara Nagel, Finance Manager)

XII. ADJOURN AS THE CRA BOARD AND RECONVENE AS THE HEBER CITY COUNCIL:

XIII. COMMUNICATION:

XIV. ADJOURNMENT:

Ordinance 2006-05 allows Heber City Council Members to participate in meetings via telecommunications media.
In accordance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Andrew Conley at the Heber City Offices 435.657.7887 at least eight hours prior to the meeting.

Posted on June 11, 2026, in the Heber City Municipal Building located at 75 North Main, the Heber City Website at www.heberut.gov, and on the Utah Public Notice Website at http://pmn.utah.gov.

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Highlands Proposed PID
RESPONSIBLE:	Tony Kohler
DEPARTMENT:	Planning
STRATEGIC RELEVANCE:	Community Development

SUMMARY

A Planned Infrastructure District (PID) is a tool authorized by the State of Utah created to assist in the funding of development infrastructure.

Highlands has petitioned Heber City for the creation of 3 Public Infrastructure Districts (PID) encompassing 75.07 acres for PID 1, 0.11 acres for PID 2 and 0.11 acres for PID 3, totaling 75.29 acres, and a future PID total area of 116 when accounting for future PID annexation area. Heber City has 2 developments that have PIDs, Jordanelle Ridge and Harvest Village (aka The Slope).

In 2021, when the property was annexed, the City and Highlands entered into a Master Development Agreement (MDA). Section 8.9 of the MDA put the City on notice of the intent for Highlands to pursue the approval of a PID.

The proposed PID would cover $40,000,000 in infrastructure. The proposed Mill Levy is 0.005 per dollar of taxable value of taxable property; State Code permits a maximum Mil Levy of 0.008. The PID is proposed for a 31-year time frame.

The City's PID policy requires some of the improvements include an enhanced improvement for public benefit, aimed at a goal of 10% of the total PID cost, or $4 million. Jordanelle Ridge had a 10% set aside for public benefits and Harvest Village has a 5% set aside, with the difference occurring because Jordanelle Ridge covers broader cultural, recreational and utility infrastructure, which reflects a larger scale master planned development with 6,700 residential units versus 332 residential units and 100,000 square feet of commercial for Harvest Village. Both of those developments have a mill levy of 5 mills with similar funding durations. Harvest Village had a project cost of $30 million and 38.8 acres, with Jordanelle Ridge reflecting a project cost of $250 million and 3,051 acres. Harvest Village's enhanced improvements included a transit center & multi-modal integration, public art, plaza wide wifi, perimeter trail enhancements and creek and pond connectivity features. Jordanelle Ridge enhancements include landcaping, parking lot, ice ribbon, splash pad, rental building, Zamboni, trail improvements, clubhouse, pool, bowling alley & game room, performing art center, amphitheater, HOA barn, studio, gym, sport court, kids club, pickle ball courts and trail head.

The next step in considering the PID is to hold a public hearing, anticipated for July 7. Following that, the City would consider a resolution accepting the PID.

Policy questions for the Council include:

>Does the city council support the creation of a PID for the Highlands?
>If so, what percentage of the total PID cost should be set aside for enhanced public benefits?
>And, what enhanced improvement for public benefit should be included with the PID?

RECOMMENDATION

Staff recommends Council discuss potential Enhanced Improvements and provide feedback to the petitikoner for inclusion within the governing docs at the public hearing.

BACKGROUND

The proposed PID would cover the cost for installation of underground utilities including water, sewer, electrical and fire protection systems, as well as access improvements related to ingress and egress and overall site development.
The City's PID Policy requires that a development within a PID offer amenities above and beyond what is required within the development code and a development agreement (MDA). Some key considerations from the PID Policy include:

- Preserve the open lands that surround Heber
- Create friendly neighborhoods and centers that focus homes, jobs, shopping, and recreation into places where Heber residents and others can gather and interact regularly
- Enhance and strengthen downtown – the heart of the Heber community
- Grow, promote, and diversify recreational opportunities

Other considerations from the City's PID Policy include:

- Encourage housing variety that results in an increase of attainable residences for those making near or less than the area median income
- Provide housing options, both “for sale” and “for rent,” for employees in industries such as education, government, etc.
- Create opportunities for sustainable and environmentally focused developments

The City convened the District Advisory Committee (DAC) to review the Letter of Intent to create a PID. The DAC suggested the petitioner consider enhanced public park amenities as part of the PID. Other ideas could include using the money to reimburse the City's portion for the public park located in the project.

PIDs are approved by the City, as specified in Title 17D, Chapter 5 of the Utah State Code, see provision here: https://le.utah.gov/xcode/Title17D/Chapter5/17D-5.html?v=C17D-5_2026050620260506. The City Council is required to hold a public hearing with notice going to property owners within the proposed PID. The State Code requires all property owners within the PID to consent to the creation of the PID. Once the public hearing is held, the City considers approval of the Governing Doc through adoption of a resolution.

DISCUSSION

The City has the authority to dictate what the PID can be used for, and if done correctly a PID can bring value to the City, the Residents, and the Developer. Council should ensure a comfort level with negotiations on the proposed enhanced services.

FISCAL IMPACT

None. PIDs are financed through a mil levy specific to the identified legal descriptions in the Governing Doc.

CONCLUSION

None at this time.

ALTERNATIVES

N/A

POTENTIAL MOTIONS

N/A

ACCOUNTABILITY

Department: Planning
Staff member: Tony Kohler, Community Development Director

EXHIBITS

1. Tava-Highlands PID Presentation (WBA FINAL), 2026-06-02.1
2. Governing Document, Tava-Highlands PID FINAL, 2026-06-01
3. Letter of Intent - Tava-Highlands PID Nos. 1-3, 2026-03-03
4. Property Owners Consent to Orananize PID document (DR signed)
5. Property Owners Consent to Orananize PID document (FORESTAR signed)
6. 2021-38 Approving the Highlands Annexation
7. Heber City PID Policy

TAVA-HIGHLANDS

Public Infrastructure District Nos. 1–3

Heber City, Utah

Presented by: Forestar (USA) Real Estate Group Inc.

Heber City Council | June 16, 2026

Governing Document Approval

THE HIGHLANDS DEVELOPMENT

Wasatch County
Heber City, Utah

WBA Local Government Law

FORESTAR

D·R·HORTON America's Builder

About Forestar (USA) Real Estate Group Inc.

Residential Lot Developer

Forestar is a highly differentiated, residential lot developer for the affordably-priced single-family home market.

D.R. Horton Partnership

Strong strategic relationship with D.R. Horton, the nation's largest homebuilder — providing financial strength and market certainty.

National Footprint

Operations in 64 markets across 24 states as of March 31, 2026. Disciplined capital allocation mitigates risk.

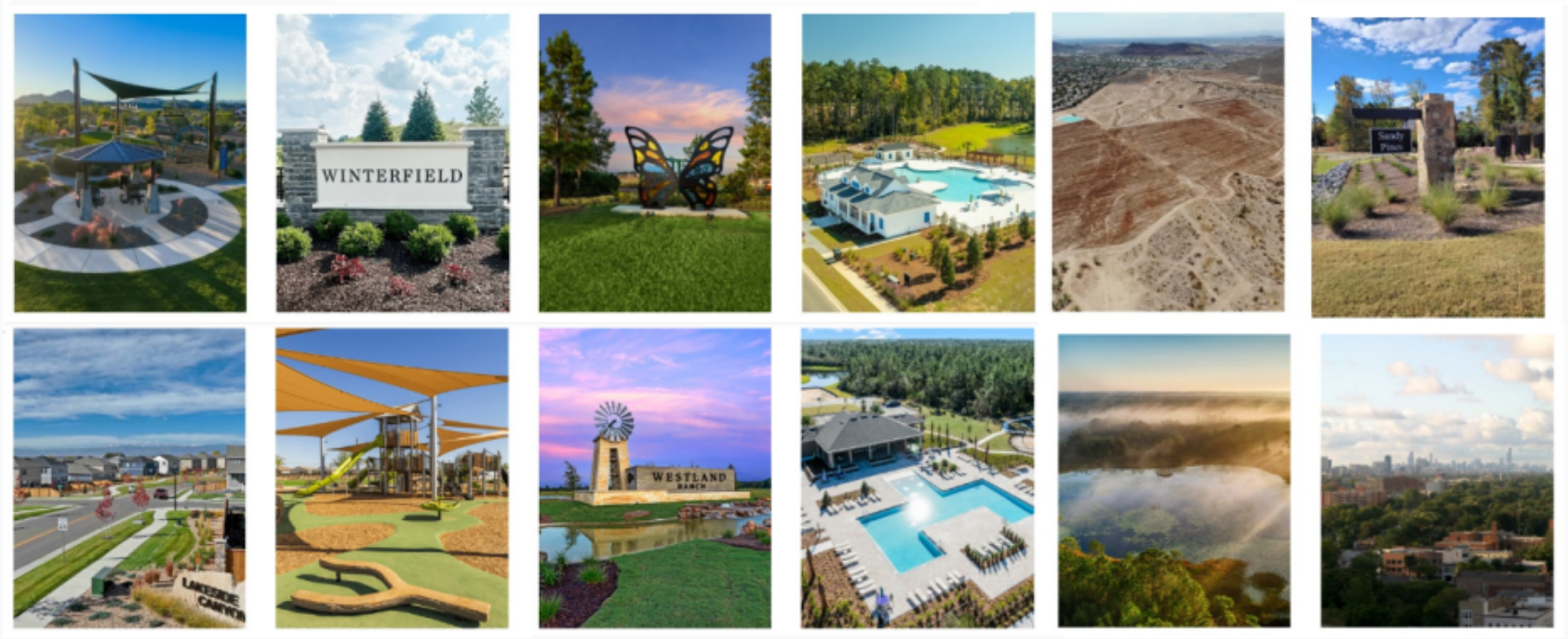
Proven Track Record

Proven management team with significant land development experience.

As of March 31, 2026

Forestar Community Highlights

Forestar develops communities that enhance landscapes across the country — from mountain towns to coastal communities. Each project offers a distinctive appeal with high-quality public spaces and amenities.



About D.R. Horton, Inc.

D.R. Horton, Inc., America's Builder has been the largest homebuilder by volume in the United States since 2002. Founded in 1978 in Fort Worth, Texas, D.R. Horton has operations in 126 markets in 36 states across the United States.

D.R. Horton, Inc., America's Builder, has been the largest homebuilder by volume in the United States since 2002 and has closed more than 1,200,000 homes in its over 47-year history. D.R. Horton has operations in 126 markets in 36 states across the United States and is engaged in the construction and sale of high-quality homes through its diverse product portfolio with sales prices generally ranging from $200,000 to over $1,000,000.

During the twelve-month ended March 31, 2026, D.R. Horton closed 83,832 homes in its homebuilding operations, in addition to 3,593 single-family rental homes and 2,359 multi-family rental units in its rental operations. D.R. Horton also provides mortgage financing, title services and insurance agency services for its homebuyers and is the majority-owner of Forestar Group Inc., a publicly traded national residential lot development company.

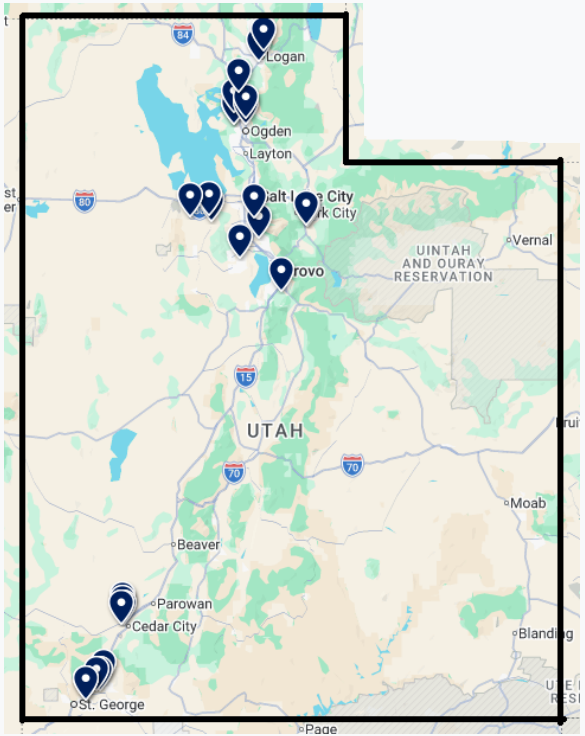
Stock Quote

DHI (Common Stock)	
Exchange	NYSE (US Dollar)
Price	$148.97
Change (%)	+2.05 (+1.40%)
Volume	818,151
52 Week high	$184.55
52 Week low	$114.17
Market cap	$42,244.85 Million
Shares outstanding	283,579,613
Data as of 05/29/26 12:50 PM EDT	

Stock chart

Together, we are America's builder.

D·R·HORTON
America's Builder



Agenda

01 **What is a PID?**
Overview of Public Infrastructure Districts under Utah law

02 **The Highlands Development**
Project description, location, and phasing

03 **The Districts**
Boundaries, acreage, and structure of PID Nos. 1–3

04 **Public Infrastructure**
Infrastructure to be financed and public benefits

05 **Financial Plan**
Mill levy, bond structure, and fiscal analysis

06 **Governing Document**
Key terms, limitations, and board composition

07 **Disclosure & Protections**
Property owner protections and next steps

Public Infrastructure District Overview

Legally Separate Governmental Unit

A PID is an independent unit of local government created under Utah Code Title 17B & 17D, Chapter 4 — it is NOT a debt of Heber City.

Created by the City

The City Council creates the PID and sets all key limitations through the Governing Document. The City retains oversight throughout.

Issues Tax-Exempt Bonds

The PID can issue bonds repaid through a limited property tax (mill levy) on properties within the PID — not on existing City taxpayers.

100% Owner Consent

All surface property owners within the PID boundaries must consent in writing before creation. Forestar has provided 100% consent.

Finances Public Infrastructure Only

Proceeds may only fund public infrastructure — roads, utilities, drainage, water, sewer — which are then dedicated to the City.

Dissolves When Debt is Repaid

Once all bonds are paid off or defeased, the PID dissolves and the mill levy ends.

Project Overview: The Highlands Residential Development

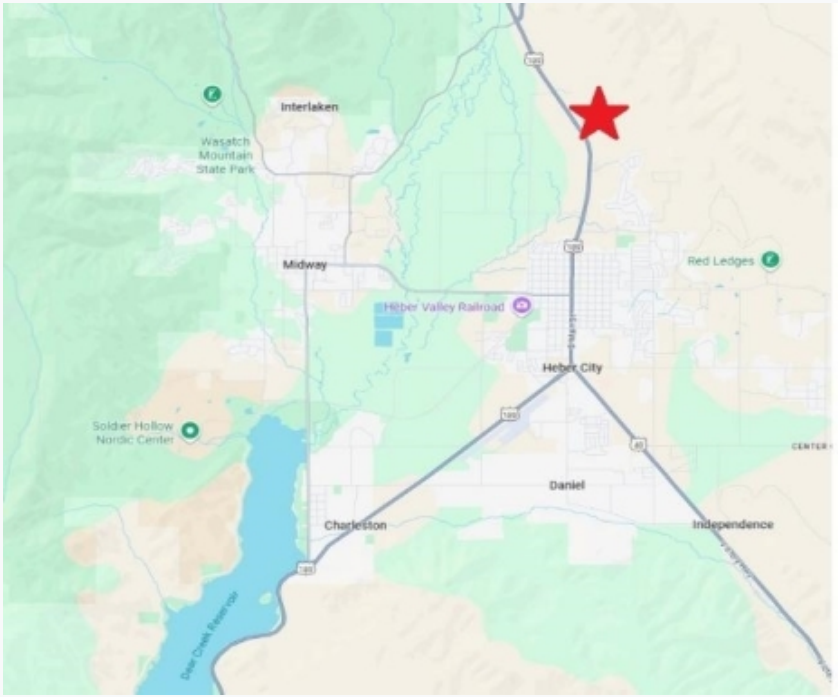
Developer
Forestar (USA) Real Estate Group Inc.
(subsidiary of D.R. Horton)

Location
NE of Utah Hwy 189, ~12 mi north of
downtown Heber City; adj. UVU Wasatch Campus

Total Area
~116.26 acres (Initial Boundaries + Annexation Area)

Total Units
~811 units (576 within PIDs; 235 Stacked Flats outside PIDs)

Construction
Infrastructure commenced Sept 2024
Full buildout anticipated Spring 2028



▲ *Project Location — Heber Valley, Wasatch County, Utah*

Site Aerials
Active Infrastructure Construction (October 2024)

Site grading and infrastructure construction — adjacent to Wasatch Commons Apartments (right) and UVU Wasatch Campus (off-frame left). Heber Valley and mountains visible in background.

Active Infrastructure Construction (May 2025)

Active Infrastructure Construction (May 2026)

Overall Development Plan — 116.26 Acres, 811 Total Units

UNIT SUMMARY

Alta Lots (SF)	1,600 SF	
112 units	0.75 ERU	
Cottage Lots (SF)	2,091 SF	
93 units	1.0 ERU	
TH – Oliver	2,047 SF	
77 units	1.0 ERU	
TH – Millbrook	1,600 SF	
161 units	0.75 ERU	
TH – Dalton	1,399 SF	
133 units	0.75 ERU	
Stacked Flats*	750–1,350 SF	
235 units	0.33–0.75	

TOTAL: 811 units | 579.10 ERUs

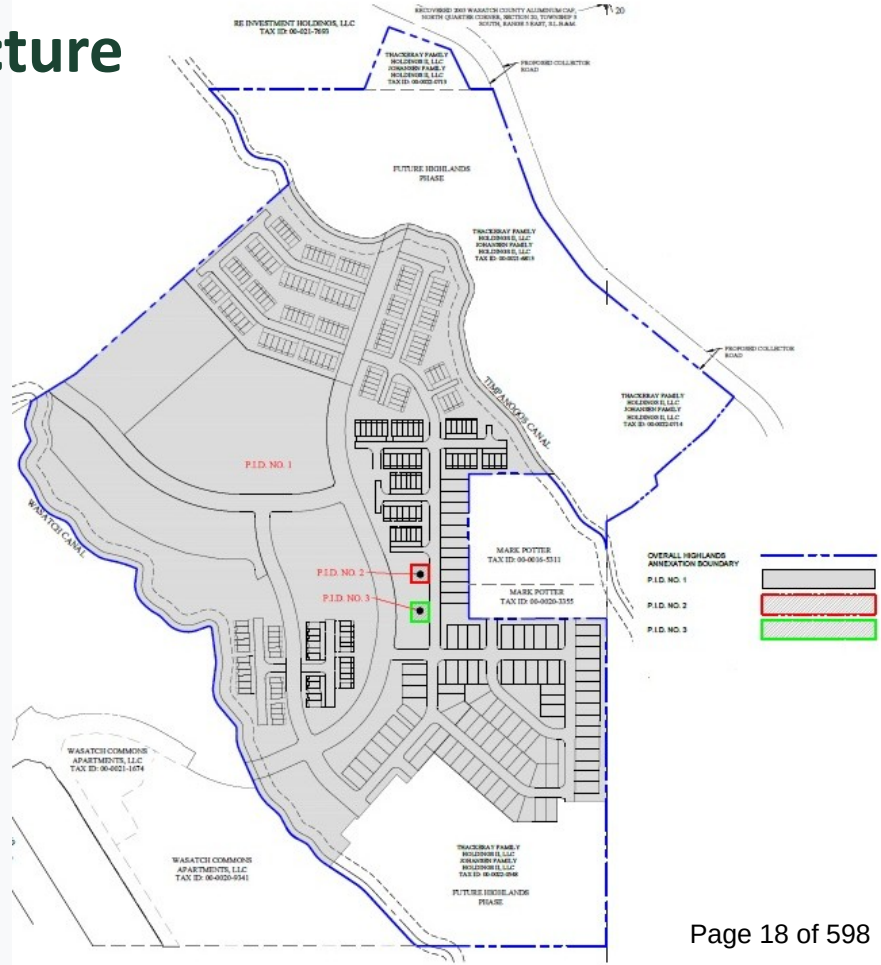
** Stacked Flats by DHI Communities (outside PID boundaries). DR Horton builds all other product types.*

PID Nos. 1–3: Boundaries & Structure

Three PIDs allow phased development, separate tax/assessment obligations, and flexibility in bond issuance.

PID No. 1 75.07 acres	Primary district along Wasatch Canal / Timpanogos Canal corridor
PID No. 2 0.11 acres	Small initial boundary parcel for phasing/financing flexibility
PID No. 3 0.11 acres	Small initial boundary parcel for phasing/financing flexibility

Annexation Area: ~116.26 acres total. PIDs may annex parcels within this area upon 100% owner consent — no further City Council approval required per Governing Document.



PID Nos. 1–3 boundaries & Annexation Area
(Ward Engineering Group, Sattar N. Tabriz PLS #155100)

Why a PID? Public Need & Benefits

THE NEED

~$40,000,000

Estimated Public Infrastructure Cost

- No other governmental entity in the immediate vicinity considers it feasible to provide this infrastructure
- Current macroeconomic conditions have significantly increased public infrastructure costs
- Without the PID, the Development's scope and timeline would be materially constrained
- PID financing bridges the funding gap enabling timely, full-scope development

PUBLIC BENEFITS

Infrastructure Funded

Roadways, curbs, gutters, sidewalks, streetlights, traffic controls

Utilities

Water, sewer, electrical, fire protection, pressurized irrigation, storm drainage

Envision Heber 2050

Advances City's comprehensive plan goals for diverse housing types and price points

Attainable Housing

Serves working families, educators, and public employees — attainable options in the Heber Valley market

No City Liability

PID debt does not create any financial liability or obligation for Heber City

Public Benefits

Assurance of Timely, High-Quality Infrastructure

- **Dedicated Funding Source.** A dedicated funding source for public improvements — roads, sidewalks, water and sewer lines, storm drainage, parks, and trails — ensures these are completed concurrently with vertical construction, eliminating the funding gap that would otherwise delay or reduce the project's scope under current macroeconomic conditions.

- **Implements the Development Agreement.** The Project's zoning, density, and layout were established through a Development Agreement approved in 2021 and amended in 2024. The PID is the financing mechanism that makes performance of that Agreement feasible — without it, the Development's scale, timeline, and infrastructure commitments would be materially constrained.

- **City Standards, City Acceptance.** Public improvements funded through the PID will be built to City standards and dedicated to the appropriate public entities upon completion — at no cost or liability to Heber City. The Governing Document's completion and reimbursement requirements ensure infrastructure quality is verified before bond proceeds are released.

- **Timely Delivery of Attainable Housing.** The Districts enable the Development to proceed at the scale and pace that supports Heber City's Envision Heber 2050 goals for housing variety and workforce attainability. Without PID financing, unit mix and pricing flexibility would be materially constrained, reducing the Development's ability to serve buyers at or near area median income.

Public Benefits

In line with the City's Master Plan

- The Project promotes a mix of home types, sizes, and price points, and supports the City's noted value of single-family neighborhoods by proposing to create 811 residential units with accompanying public infrastructure to serve the Project.

- **The General Plan endorses innovative financing tools to turn plan goals into built outcomes — this is one.** The General Plan recognizes Heber City's commitment to being "innovative in its approaches to creating more affordable housing" and separately endorses financing mechanisms (CRA, DDA) to bridge the gap between desired outcomes and implementation. The PID is the equivalent tool for the North Village growth area — requiring no City funds, no City liability, and no burden on existing taxpayers.

- The PID spreads repayment over 30 years at $500/year per $100,000 of taxable value, keeping base home prices lower across all product types than they would otherwise be.

- **The General Plan identifies this exact location as a priority for attainable housing — and the PID is the financing tool that makes it feasible.** The North Village / UVU Campus Town Center designation calls for housing "in a range of densities, lot sizes and types" and "affordable housing options for students and workers in the area." The MIHP warns that moderate income housing will be "difficult if not impossible without other considerations to subsidize the cost." The PID is that subsidy — absorbing ~$40M in infrastructure costs that would otherwise be passed directly to buyers.

Financial Plan Overview

Preliminary Financing Analysis for LTGO PID Bonds prepared by Wells Fargo Securities (April 2026) — subject to final market conditions at time of issuance.

5 Mills
Max Debt Mill Levy
(per $1 taxable value)

$0.005
Max Rate
($5 per $1,000 AV)

$22.6M
Estimated Aggregate
Par Amount – New Money Bonds

Issuance Year	District	Par Amount (New Money Bonds)	Final Maturity	Financing Strategy	Rating Assumption (Senior Bonds)
2026	PID No. 1	$10,925,000	2056	New money only	Non-rated
2028	PID No. 2/3	$9,110,000	2058	New money only	Non-rated
2031	PID No. 1	$1,330,000	2061	New money & refinancing	Investment Grade
2033	PID No. 2/3	$1,235,000	2063	New money & refinancing	Investment Grade

All bonds tax-exempt. Capitalized interest covers early years. Debt Service Reserve Fund established at closing.

Proposed Mill Levy: Comparison & Impact

2024 EXISTING TAX RATES — HEBER AREA	
Wasatch County	0.001134
MCAT & County A&C Levies	0.000125
Wasatch Co. School District	0.006255
Heber City	0.000771
Fire Protection SSD	0.000158
Wasatch Co. SSD No. 21	0.000413
Central Utah Water CD	0.000400
Current Total Tax Rate	**0.009256**
Proposed Tava-Highlands PID	**0.005000**
Proposed New Total Rate	**0.014256**

COMPARABLE PID TAX RATES

Harvest Village PID	**0.005**
Jordanelle Ridge PID	**0.005**
Black Rock Mt. Resort PID	**0.010**
Wakara Ridge PID	**0.001**
DV Snow Park PID Nos. 1–3	**up to 0.015**
MIDA Cormont PID	**0.020**

IMPACT ON HOMEOWNER

At 5 mills: approx. $500 per $100,000 of taxable value annually (e.g., ~$1,500/year on a $300,000 assessed value home)

Key Terms of the Governing Document

Consistent with City Model - The Tava-Highlands PID Nos. 1–3 Governing Document is consistent with Heber City model document and PID Policy

Maximum Debt Mill Levy

0.005 per dollar of taxable value
(5 mills)

Maximum Imposition Term

Bond maturity: 30 yrs
Discharge date: 40 yrs

Estimated Infrastructure Cost

~$40,000,000
(engineer's preliminary estimate)

Assessment Bonds

Permitted; not subject to mill levy debt limit per Governing Document

Governing Document Amendment

Any material deviation requires City Council approval

Bankruptcy Protections

Mill levy limitations preserved as 'political/governmental powers'

Operations & Maintenance

PIDs shall dedicate infrastructure to City; no ongoing O&M from bonds

Privately Placed Debt

Requires Municipal Advisor certification of reasonableness

Binding Constraints

The Districts cannot exceed these constraints without a Governing Document Amendment approved by City Council

Board of Trustees & Transition to Elected Board

Each PID has a five-member Board of Trustees. Initial trustees are property owners and/or their designated agents. Seats transition to elected positions as residential buildout progresses, ensuring future resident representation.

Trustee	Initial Term	Initial Trustee	Transition Milestone
Trustee 1	6 years	Max Martin	50% of Anticipated Units receive certificates of occupancy
Trustee 2	4 years	Kelly Beres	75% of Anticipated Units receive certificates of occupancy
Trustee 3	6 years	Owen Lindsay	80% of Anticipated Units receive certificates of occupancy
Trustee 4	4 years	Brandon Jack	90% of Anticipated Units receive certificates of occupancy
Trustee 5	6 years	Curtis Leavitt	100% of Anticipated Units receive certificates of occupancy

Residency Waiver: Petitioner has consented to waiver of residency requirement (§17D-4-202(3)(a)). **Eligibility:** All trustees are surface property owners, or agents/officers of surface property owners, within the Districts' boundaries.

Property Owner Protections & Required Disclosures

100% Owner Consent

The Petitioner (Forestar) represents 100% of surface property owners within the proposed district boundaries and has executed the Petition with full notarized consent.

Consent Binding on Successors

The property owner consent is binding on successors in interest, valid for 10 years, and includes consent to recording of notice.

Mill Levy Cannot Be Increased

The maximum mill levy of 5 mills is set in the Governing Document and cannot be increased without a full Governing Document Amendment approved by City Council — regardless of project success or failure.

Recorded Notice on Property

A statutory notice is recorded against all property within the district boundaries (Utah Code §§17B-1-215(2)(a) & 17D-1-209(1)(a)).

Subdivision Plat & CC&Rs

All subdivision plats and CC&Rs within the Districts must include notice of the PID's maximum property tax impact.

Annual Notice

Annual written notice to all property owners and renters within the District disclosing the current mill levy and its anticipated duration.

Buyer Disclosure

Governing Document on file with City; bolded statement required disclosing maximum property tax impact as '$500 per $100,000 of taxable value.'

Criteria the City May Consider — Utah Code §17D-4-201(7)

The City may consider the following criteria in determining whether to approve the Governing Document (Utah Code §17D-4-201):

✓

Historical Performance

Forestar (USA) Real Estate Group is a nationally recognized residential developer and subsidiary of D.R. Horton, the nation's largest homebuilder. Infrastructure construction commenced September 2024; Phase 1 vertical construction commenced March 2026.

✓

Compliance with Master Plan

The Development directly advances Heber City's 'Envision Heber 2050' Comprehensive Plan by providing a diverse mix of residential product types, attainable housing options, and dedicated open space/parkland to be dedicated to the City.

✓

Creditworthiness

Wells Fargo Securities has prepared a preliminary financing analysis demonstrating 1.25x minimum debt service coverage on senior bonds. Wells Fargo and Aaron Wade of Gilmore & Bell are engaged as underwriter and bond counsel.

✓

Plan of Finance

Phased bond issuance: Series 2026 ($48.4M aggregate) and Series 2031 ($20.5M). Repaid through 5-mill debt service levy and assessment bonds. Capitalized interest covers early ramp-up years. Financial model by Wells Fargo Securities (11/10/2025).

✓

Proposed Development

~811 total residential units across 4 phases; buildout anticipated Spring 2028. Attainable, diverse product mix (Alta, Cottage, Townhome, Stacked Flat). Addresses identified housing supply gap in Heber Valley.

Process to Date & Next Steps

March 26, 2026 **LOI & Petition Submitted**

Forestar submitted Letter of Intent, Petition (100% owner consent), and Final Local Entity Plats to Heber City

May 19, 2026 **Meeting with Heber City DAC**

District Advisory Committee review

June 3, 2026 **Governing Document Submission**

Draft Governing Document submitted for City review; WBA, PC serving as general counsel to the Districts

June 16, 2026 **City Council Working Session**

Governing Document presented to City Council for discussion and feedback

July 7, 2026 **Public Hearing & City Council Vote**

City Council votes to approve Governing Document and create Tava-Highlands PID Nos. 1–3

After Approval **Lt. Governor Submission**

General counsel submits creation documents to Lt. Governor's Office for Certificates of Creation

2026 **Bond Issuance (Series 2026)**

Closing of 2026 bond issuance with proceeds to fund Phase 1-4 infrastructure

Request for Approval

Tava-Highlands Public Infrastructure District Nos. 1–3

Forestar (USA) Real Estate Group Inc. respectfully requests that the Heber City Council adopt a Resolution approving the Governing Document and creating Tava-Highlands Public Infrastructure District Nos. 1–3.

Applicant

Forestar (USA) Real Estate Group Inc.

Justine Klinke, Region VP
Lehi, UT

General Counsel

WBA, PC

Blair Dickhoner
Betsy Russon
Lehi, UT

Bond Counsel

Gilmore & Bell

Randall Larsen
Aaron Wade
Salt Lake City, UT

Underwriter

Wells Fargo

Tom Wynne
Ryan Poulsen
Denver, CO

Financial Advisor

Tierra Financial

Evan Kist
Amanda Salome
Arlington, TX

GOVERNING DOCUMENT

FOR

TAVA-HIGHLANDS PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-3

HEBER CITY, UTAH

Prepared by

Date, May __, 2026

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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.

B. Need 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 is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

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 the Districts. All Debt is expected to be repaid by a tax mill levy no higher than the Maximum Debt Mill Levy for commercial and residential properties, and/or repaid by Assessments. Debt which is issued within these parameters 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 is to provide for the Public Improvements associated with development and regional needs. Although the Districts have authority to directly provide public improvements, the Districts also have the authority to pledge tax revenues to an interlocal entity that provides public improvements through an Interlocal Agreement with the City or relevant public entity.

It is the intent of the Districts to 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, so long as the Districts do not own or operate any Public Improvements. If the Districts have authorized operating functions under an Interlocal Agreement, they may retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

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 (or repaid from a combination of Assessments and a mill levy). 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 is not a cost to be paid by the Districts.

C. Applicability. This Governing Document is not intended to and does not create any rights or remedies in favor of any party other than the City. Failure of the Districts to comply with any terms or conditions of this Governing Document shall not relieve any party of an obligation to the Districts or create a basis for a party to challenge the incorporation or operation of the Districts, or any Debt issued 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 Map which have been approved by the City for annexation into the Districts upon the meeting of certain requirements.

Annexation Area Map: means the map attached hereto as **Exhibit C**, describing the property proposed for annexation within the Districts.

Assessment: means (1) the levy of an assessment secured by a lien on property within the Districts to pay for the costs of Public Improvements benefitting such property or (2) an assessment by the Districts levied on private property within the Districts to cover the costs of an energy efficient upgrade, a renewable energy system, or an electric vehicle charging infrastructure, each as may be levied pursuant to the Assessment Act.

Assessment Act: means collectively, (i) Title 11, Chapter 42, Utah Code as may be amended from time to time and (ii) the C-PACE Act.

Board: means the board of trustees of the Districts.

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.

City: means Heber City, Utah.

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

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

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 Districts issued pursuant to the C-PACE Act, including refunding C-PACE Bonds.

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

Developer: means, Forestar (USA) Real Estate Group, Inc.

Development Agreement: 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 Districts' Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time.

District 1: means the Tava-Highlands Public Infrastructure District No. 1.

District 2: means the Tava-Highlands Public Infrastructure District No. 2.

District 3: means the Tava-Highlands Public Infrastructure District No. 3.

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

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

District Area: for each District, means the property within the Initial District Boundary Map for that District, and the property within 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 a District for administrative services provided by the Districts.

Financial Plan: means the Financial Plan described in Section VII 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 the Districts 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 Board in accordance with applicable state law.

Initial District Boundaries: for each District, means the boundaries of the area described for that District in the Initial District Boundary Map.

Initial District Boundary Map: means the map(s) attached hereto as **Exhibit C**, 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 VII.C below.

Municipal Advisor: means a consultant that: (i) advises a District on matters related to the issuance of bonds by governmental entities, including the pricing, sales, and marketing of bonds and the procuring of bond ratings, credit enhancement and insurance with respect to bonds; (ii) is qualified to provide the advice described in (i); (iii) is not an officer or employee of the District receiving advice; (iv) has not been engaged to provide underwriting services in connection with a transaction in which the person or firm will provide advice to the District; and (v) has experience doing business related to the issuance of bonds in the state of Utah.

Net Proceeds: means the gross proceeds of the sale of bonds, less any of the following: (1) amounts applied or to be applied to pay transaction and administrative expenses, including underwriting discount, (2) amounts to pay cost of issuance, and (3) amounts to pay capitalized interest and to fund any reserves deemed necessary or appropriate by a District, not including any investment earnings realized thereon.

Project: means the development or property known as the Highlands Residential Development

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 District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of a District Area as determined by the Board, and includes Public Infrastructure and Improvements as defined in the PID Act.

Special District Act: means Title 17B of the Utah Code, as amended from time to time.

State: means the State of Utah.

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

Trustee: means a member of the Board.

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

Utah Procurement Code: means Title 63G, Chapter 6a of the Utah Code, as amended from time to time.

III. BOUNDARIES

The area of the Initial Districts' Boundaries includes approximately 75.71 acres, with the area of each of the Districts as follows: District No. 1 is 75.07 acres; District No. 2 is 0.11 acres, and District No. 3 is 0.11 acres. The total area proposed to be included in the Annexation Area Boundaries includes approximately 116.26 acres (including the entirety of the Initial Districts Boundaries). A vicinity map is attached hereto as **Exhibit B**. A map of the Initial Districts Boundaries and Annexation Area Map is attached hereto as **Exhibit C**. It is anticipated that the Districts' boundaries may change from time to time as they undergo annexations and withdrawals pursuant to Section 17D-4-201, Utah Code, subject to Section V.A.5 below.

IV. PROPOSED LAND USE AND ASSESSED VALUATION

The Districts' Area consists of mostly undeveloped land. The current assessed valuation of the Districts' Area at buildout, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. Upon build-out, the District's Area is anticipated to include approximately 576 residential units including attached and detached, single family styles.

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

1. Operations and Maintenance Limitation. 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 in a manner consistent with rules and regulations 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 site grading and erosion control, 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), culinary and secondary water system improvements (including water mains, service lines, meters, storage tanks, and distribution facilities), sanitary sewer system improvements (including sewer mains, laterals, manholes, and appurtenances), storm sewer system improvements (including storm drain mains, inlets, manholes, and water quality treatment structures), utilities (gas/power), and all necessary equipment and appurtenances incident thereto.

2. 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 applicable permits for construction and installation of Public Improvements prior to performing such work. Land easements, or improvements to be conveyed or dedicated to the City and any other local government entity shall be conveyed in accordance with the related standards at no cost to the City. All public infrastructure within the Districts which will be connected to and owned by another public entity shall be subject to all design and inspection requirements and other standards of such public entity. The Districts shall be subject to City zoning, subdivision, building codes, and all other applicable City ordinances and regulations. Approval of the Governing Document shall not bind the City to approve other matters which the Districts or Developer may request. The Districts shall pay all fees and expenses as provided in the Governing Document.

3. 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 an engineer that the Districts employ or engage to perform the necessary engineering services for and to supervise the construction or installation of the Public Improvements.

4. Privately Placed Debt. Prior to the issuance of privately placed Debt (excluding Assessment Bonds, or C-PACE Bonds), 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. Annexation and Withdrawal.

(a) In accordance with Section 17D-4-201(3), Utah Code, any of the Districts may annex any area within the Annexation Area Boundaries upon (i) obtaining the consents required under such Section, and (ii) the passage of a resolution of such District's Board approving such annexation. The City, by approval of this Governing Document, has

expressly authorized such annexations in accordance with the requirements of the PID Act, and no further consent, approval, or action of the City shall be required.

(b) In accordance with Section 17D-4-201(4), Utah Code, any of the Districts may withdraw any area from the District upon (i) obtaining the consents required under such Section, and (ii) the passage of a resolution of such District's Board approving such withdrawal. The City, by approval of this Governing Document, has expressly authorized such withdrawals in accordance with the requirements of the PID Act, and no further consent, approval, or action of the City shall be required.

(c) Upon any annexation or withdrawal in accordance with this Section V.A.5, the affected District shall provide the City with a description of the revised District Boundaries for the City's records.

(d) An annexation or withdrawal effected in accordance with this Section V.A.5 shall not constitute an amendment of this Governing Document.

6. Overlap Limitation. 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 Districts' Area which will overlap the boundaries of the Districts unless the aggregate mill levy for payment of Debt of such proposed district(s) will not at any time exceed the Maximum Debt Mill Levy of the Districts.

7. Initial Debt Limitation. On or before the effective date of approval by the City of a Development Agreement, 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.

8. 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).

9. Governing Document Amendment Requirement. 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. 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. Subject to the limitations and exceptions contained herein, this Governing Document may be amended by passage of a resolution of the City and the applicable Districts approving such amendment.

10. 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 District, to be more specifically defined in the Development Agreement. 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 Districts' Area and is approximately Forty Million Dollars ($40,000,000). The costs of Public Improvements are estimates and the approval of this Governing Document does not constitute the City's approval of actual costs for Public Improvements.

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 Development Agreement.

All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

VI. THE BOARD OF TRUSTEES

A. Board Composition. Each Board shall be composed of five (5) Trustees who shall serve at large. In accordance with Section 17D-4-202, Utah Code, the initial Trustees for each District, their respective initial terms, and the milestones for transition to elected seats are as follows:

Seat	Initial Trustee	Initial Term	Transition to Elected Seat
Trustee 1	Max Martin	Six (6) years	After the end of a full term during which 50% of the Anticipated Units have received certificates of occupancy

Seat	Initial Trustee	Initial Term	Transition to Elected Seat
Trustee 2	Kelly Beres	Four (4) years	After the end of a full term during which 75% of the Anticipated Units have received certificates of occupancy
Trustee 3	Owen Lindsay	Six (6) years	After the end of a full term during which 80% of the Anticipated Units have received certificates of occupancy
Trustee 4	Brandon Jack	Four (4) years	After the end of a full term during which 90% of the Anticipated Units have received certificates of occupancy
Trustee 5	Curtis Leavitt	Six (6) years	After the end of a full term during which 100% of the Anticipated Units have received certificates of occupancy

Each of the foregoing initial Trustees shall serve as a Trustee on the Board of each of District No. 1, District No. 2, and District No. 3. All Trustees are deemed to be appointed upon the date of issuance of a Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah and the terms thereof commence on that date. In accordance with the PID Act, appointed Trustees shall not be required to be residents of such District, the Petitioner having consented to a waiver of the residency requirement under Section 17D-4-202(3)(a), Utah Code.

B. Future Board Composition. At the time of the first issuance of Debt by a District, 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"), as may be amended by subsequent resolution of the Board. Upon any annexation or withdrawal in accordance with this Governing Document, a District may adjust its Anticipated Units to reflect such boundary change.

1. Districts Without Anticipated Units. For so long as a District has no Anticipated Units, the Board of such District shall, in accordance with Section 17D-4-202, Utah Code, appoint and reappoint Trustees to such Board so long as each such appointee is a surface owner of land, or an agent or officer of a surface owner of land, within the boundaries of such District and otherwise meets the eligibility requirements set forth in the PID Act. Any property owner owning at least 1/5 of the taxable value of the property within such District shall be entitled to nominate one Trustee seat for each 1/5 value; provided, however, that the Board retains discretion to reject any nominee and request a new nominee from such property owner. Upon any annexation or other boundary adjustment that results in a District having Anticipated Units, such District shall thereafter be subject to Section VI.B.2 below.

2. Districts With Anticipated Units – Transition to Elected Board. For any District with Anticipated Units, the seats for the Board of such District shall transition from appointed to elected seats according to the milestones set forth in the table in Section VI.A above. No transition pursuant to this Section shall become effective until the next scheduled regular election of the District following a full term. Registered voters within this Section shall mean

voters whose "principal place of residence," as that term is defined under Section 20A-2-105(1)(a), Utah Code, is within a District.

C. Reelection and Reappointment. Upon the expiration of a Trustee's respective term, the Board of the applicable District shall, in accordance with Section 17D-4-202, Utah Code, either reappoint the Trustee to the Board or appoint a new Trustee to the Board; provided that, until such time as a District's board seats have transitioned from appointment to election in accordance with Section VI.B.2 above, any such appointee shall be a surface owner of land, or an agent or officer of a surface owner of land, within the boundaries of such District, and shall otherwise meet the eligibility requirements set forth in the PID Act.

D. Vacancy. Any vacancy on a Board, whether resulting from resignation, death, removal, disqualification, or any other cause, shall be filled by appointment of the applicable Board in accordance with Section 17D-4-202, Utah Code; provided that, until such time as the applicable District's board seats have transitioned from appointment to election in accordance with Section VI.B.2 above, any such appointee shall be a surface owner of land, or an agent or officer of a surface owner of land, within the boundaries of such District, and shall otherwise meet the eligibility requirements set forth in the PID Act. A Trustee appointed to fill a vacancy shall serve for the remainder of the unexpired term of the vacated position.

E. 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.

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

VII. 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 Districts 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 and other legally available revenues. For any capital appreciation Debt issued by the Districts, only the par amount of such Debt at issuance (and not the value at conversion) of such Debt shall count against this amount. 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 Districts may issue so long as such issuances are in accordance with the provisions of the applicable Assessment and/or C-PACE Acts. All bonds

and other Debt issued by the Districts may be payable from any and all legally available revenues of the Districts, including general ad valorem taxes to be imposed upon all Taxable Property within the Districts and Assessments. The Districts 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. Notwithstanding the foregoing, the Districts shall not be permitted to issue Debt, other than refunding prior issuances of Debt, after December 31, 2056.

Any impact fee reimbursement or credits which become available due to the financing of Public Improvements by the Districts shall be for the benefit of the Districts and not any developer. The specifics of the scope and availability of impact fee reimbursements shall be reserved and will be addressed in a future interlocal agreement between the City and the Districts.

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. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed 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 maximum term for the bonds will be 40 years, not including refundings.

C. Maximum Debt Mill Levy.

1. The "Maximum Debt Mill Levy" shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within the Districts for payment of Limited Tax Debt, and shall be 0.005 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(13), Utah Code.

2. 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.

3. In the event the District has issued Limited Tax Debt, any Assessments (other than C-PACE Assessments) imposed by such District on a parcel zoned for residential uses shall be payable at or before the time of conveyance to an End User with respect to such parcel. For the avoidance of doubt, if the District has not issued Limited Tax Debt, Assessments levied by such District are not required to be prepaid at the time a building permit is issued or prior to conveyance. Any C-PACE Assessments may be repayable in accordance with the provisions of such act.

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 first date of imposition of the mill levy for such bond (the "**Maximum Debt Mill Levy Imposition Term**").

All Assessments for capital improvements (other than Assessments under the C-PACE Act) imposed by the Districts on a parcel zoned for residential uses 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.

E. Debt Repayment Sources.

The Districts may impose a mill levy on taxable property within their respective boundaries 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 power to assess Assessments, penalties, or charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time. Except as described in Section VII.C, 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.

The Districts 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, Assessment, or impact fee. This provision shall not prohibit the division of costs between mill levies, Assessments, or impact fees, 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 as security any land, assets, funds, revenue or property of the City, or property to be conveyed to 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. All debt issued by the Districts for which a tax is pledged to pay the debt service shall meet the requirements of all applicable statutes.

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 Fifty Thousand Dollars ($50,000), 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 and may also be financed for a period of time until the Districts' revenues are anticipated to be sufficient to bear such costs. The Districts may also enter into a reimbursement agreement with the developer of the Project to reimburse such developer for any such administrative costs paid by developer.

I. Bond and Disclosure Counsel; Municipal Advisor.

It is the intent of the City that the Districts shall use competent and nationally recognized bond and disclosure counsel and a Municipal Advisor with respect to District Bonds to ensure proper issuance and compliance with this Governing Document.

VIII. ANNUAL REPORT

A. General. The Districts shall be responsible for submitting an annual report to the City Manager's Office no later than July 30th of each year, commencing July 30, 2027, with information for fiscal year 2026.

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 Districts' boundaries 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 with progress toward transition to elected board;

4. Districts' office contact information, if changed;

5. Rules and regulations of the Districts regarding bidding, conflict of interest, contracting, and other governance matters, if changed;

6. A summary of any litigation which involves the Districts' Public Improvements as of the last day of the prior fiscal year, if any;

7. Status of the Districts' construction of the Public Improvements as of December 31 of the prior year and listing all facilities and improvements constructed by the Districts that have been dedicated to and accepted by the City as of the last day of the prior fiscal year;

8. A summary of the total debt authorized and total debt issued by the Districts 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 including a description of the Public Improvements to be constructed in such year;

11. Financial statements of the Districts for the most recent completed fiscal year (such statements shall be audited if required by bond documents or statute);

12. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument; and

13. Any inability of the Districts to pay their respective obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

14. List of all current contracts for services or construction (to be delivered to the City upon request).

15. Current approved Governing Document, if changed;

IX. DISSOLUTION

Each District shall be dissolved in accordance with Section 17D-4-401, Utah Code, and any other applicable provisions of the PID Act and the Special District Act. Without limiting the foregoing, each District shall be dissolved promptly following the satisfaction of the conditions set forth in Section 17D-4-401(1), including (a) payment of all Debt and other indebtedness of such District, (b) satisfaction or defeasance of all of such District's contractual obligations, and (c) the construction, acceptance, and transfer of all Public Improvements (other than any privately owned public infrastructure, facilities, or properties) to the public entity responsible for the maintenance and operation thereof. Any assets remaining after the satisfaction of such conditions and the payment of dissolution-related costs shall be distributed in accordance with Section 17D-4-401(5), Utah Code.

X. DISCLOSURE TO PURCHASERS

A. Recorded Disclosure. Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation for each District, the Board of said District shall record a notice with the recorder of Wasatch County and provide a copy of the notice to the City. Such notice shall (a) contain a description of the boundaries and annexation area of

the District, (b) state that a copy of this Governing Document is on file at the office of the City, (c) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the Maximum Debt Mill Levy of the District; and (e) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. A copy of the notice shall further be provided to the City.

B. Notice to Buyers and Lessees. In addition, the Applicant and the Board shall ensure that the Applicant, 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 the first paragraph of this Section X.A;

2. A disclosure outlining the impact of any applicable property tax, in substantially the following form:

> "At the District's maximum property tax rate, an additional annual property tax would be levied in the amount of $0.005 per dollar of taxable value (5 mills) for residential property within the District, for the duration of the District's Bonds."

3. Such disclosures shall be contained on a separate-colored page of the applicable closing or lease documents and shall require a signature of such end user acknowledging the foregoing.

4. Additionally, the Developer and the Board shall ensure that the Developer, homebuilders, commercial developers, and commercial lessors, as applicable, prominently post a notice within all model homes and sales offices located within the Districts. This notice shall be in the same form and size (or larger) as the disclosure notice form attached as **Exhibit D**, and shall be displayed on bright-colored paper in a conspicuous area that is readily visible to prospective purchasers and lessees.

C. Annual Notice. On or before July 15th of each year, commencing in the first calendar year following the year in which a District issues debt, such District shall mail a notice to all owners of property within the boundaries of the Districts a notice providing:

1. A disclosure outlining the impact of any applicable property tax, in substantially the following form:

> "At the District's maximum property tax rate, an additional annual property tax would be levied in the amount of $0.005 per dollar of taxable value (5 mills) within the District, for the duration of the District's Bonds."

2. The applicable tax rate of the District for the then current year;

3. That budgets and financial information for the District may be found on the State Auditor's Website (currently https://reporting.auditor.utah.gov/searchreports/s/); and

4. Contact information for members of the Board.

XI. ENFORCEMENT

In accordance with Section 17D-4-201(5) of the Utah Code, the City has imposed certain limitations on the powers of the District through this Governing Document. The City shall have the right to enforce any of the provisions, limitations or restrictions in this Governing Document against the District, through any and all legal or equitable means available to the City, including, but not limited to, injunctive relief, specific performance, and/or monetary damages.

EXHIBIT A

Legal Description of the Districts' Initial Boundaries

Legal Description of Tava-Highlands PID Nos. 1–3 Initial Boundaries

PID #1

A PARCEL OF LAND LOCATED IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE WASATCH CANAL, AND THE SOUTH PROPERTY LINE OF THE UTAH VALLEY STATE COLLEGE PROPERTY AS DESCRIBED PER ENTRY NO. 333087, SAID INTERSECTION BEING NORTH 00°29'50" WEST 118.62 FEET ALONG THE SECTION LINE AND EAST 427.42 FEET FROM THE WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04º04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS);
AND RUNNING THENCE ALONG SAID SOUTH PROPERTY LINE NORTH 58°00'22" EAST 202.21 FEET; THENCE NORTH 48°11'59" EAST 1119.99 FEET TO THE EASTERLY LINE OF THE TIMPANOGAS CANAL EASEMENT; THENCE ALONG THE EASTERLY LINE OF THE TIMPANOGAS CANAL EASEMENT AS DEFINED IN ENTRY 212641 ON FILE AND OF RECORD IN THE WASATCH COUNTY RECORDER'S OFFICE THE FOLLOWING TWENTY-FIVE COURSES: 1.) SOUTH 17°22'52" EAST 10.92 FEET TO THE POINT OF CURVATURE OF A 177.03 FOOT RADIUS CURVE TO THE LEFT 2.) 66.25 FEET SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 21°26'27", (CHORD BEARS SOUTH 28°06'06" EAST, 65.86 FEET); 3.) SOUTH 38°49'19" EAST 68.81 FEET TO THE POINT OF CURVATURE OF A 251.84 FOOT RADIUS CURVE TO THE LEFT; 4.)153.32 FEET SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 34°52'56" (CHORD BEARS SOUTH 56°15'47" EAST 150.97 FEET); 5.) SOUTH 73°42'15" EAST 47.85 FEET TO THE POINT OF CURVATURE OF A 125.11 FOOT RADIUS CURVE TO THE LEFT; 6.) 102.18 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 46°47'37" (CHORD BEARS NORTH 82°53'56" EAST 99.36 FEET); 7.) NORTH 59°30'08" EAST 51.86 FEET TO THE POINT OF CURVATURE OF A 93.38 FOOT RADIUS CURVE TO THE RIGHT; 8.) 92.41 EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 56°41'56" (CHORD BEARS NORTH 87°51'06" EAST 88.68 FEET); 9.) SOUTH 63°47'56" EAST 33.28 FEET TO THE POINT OF CURVATURE OF A 62.98 FOOT RADIUS CURVE TO THE LEFT; 10.) 17.42 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°50'53" (CHORD BEARS SOUTH 71°43'23" EAST 17.36 FEET; 11.) SOUTH 79°38'49" EAST 47.57 FEET TO THE ARC OF A 93.79 FOOT RADIUS CURVE TO THE RIGHT.
12.) 102.94 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 62°53'13" (CHORD BEARS SOUTH 48°12'13" EAST 97.85 FEET;
13.) SOUTH 16°45'36" EAST 37.83 FEET TO THE POINT OF CURVATURE OF A 386.33 FOOT RADIUS CURVE TO THE LEFT;
14.) 75.16 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°08'48" (CHORD BEARS SOUTH 22°20'00" EAST 75.04 FEET) TO THE POINT OF REVERSE CURVATURE WITH A 82.84 FOOT RADIUS CURVE TO THE RIGHT;
15.) 73.24 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 50°39'13" (CHORD BEARS SOUTH 02°34'48" EAST 70.87 FEET);
16.) SOUTH 22°44'49" WEST 52.83 FEET TO THE POINT OF A 176.59 FOOT RADIUS CURVE TO THE LEFT;
17.) 109.27 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 35°27'14" (CHORD BEARS SOUTH 05°01'12" WEST 107.54 FEET);

18.) SOUTH 12°42'25” EAST 91.64 FEET TO THE POINT OF CURVATURE OF A 201.47 FOOT RADIUS CURVE TO THE LEFT;
19.) 112.37 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 31°57'22” (CHORD BEARS SOUTH 28°41'06” EAST 110.92 FEET);
20.) SOUTH 44°39'47” EAST 168.84 FEET TO THE POINT OF CURVATURE OF A 141.62 FOOT RADIUS CURVE TO THE RIGHT;
21.) 36.20 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°38'41” (CHORD BEARS SOUTH 37°20'26” EAST 36.10 FEET);
22.) SOUTH 30°01'06” EAST 122.94 FEET TO THE POINT OF CURVATURE OF A 312.41 FOOT RADIUS CURVE TO THE LEFT;
23.) 68.37 FEET SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12°32'20” (CHORD BEARS SOUTH 36°17'16” EAST 68.23 FEET);
24.) SOUTH 42°33'26” EAST 33.06 FEET TO THE POINT OF A 684.07 FOOT RADIUS CURVE TO THE RIGHT;
25.) 9.55 FEET SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 00°48'00” (CHORD BEARS SOUTH 42°09'26” EAST 9.55 FEET);
THENCE LEAVING SAID EASTERLY LINE OF THE TIMPANOGAS CANAL EASEMENT NORTH 89°59'12” WEST 330.19 FEET; TO A POINT ON THE WEST LINE OF THE MARK POTTER PARCEL, AS DESRIBED PER ENTRY NO. 544002, ON FILE IN THE OFFICE OF THE WASATCH COUNTY RECORDER; THENCE ALONG THE WEST PROPERTY LINE OF SAID PARCEL SOUTH 0°00'48" WEST 425.00 FEET TO THE NORTHWEST CORNER OF THE MARK POTTER PARCEL 2, AS DESCRIBED PER SAID ENTRY NO. 544002; THENCE SOUTH 0°32'12" EAST 134.12 FEET TO THE SOUTHWEST PROPERTY CORNER OF SAID PARCEL 2; THENCE ALONG THE SOUTH PROPERTY LINE NORTH 89°49'38" EAST 528.67 FEET; THENCE SOUTH 00°00'09” WEST 705.59 FEET ALONG THE CENTER SECTION LINE; THENCE NORTH 89°59'56” WEST 162.09 FEET; THENCE NORTH 00°21'55” EAST 8.45 FEET TO A POINT ON A 26.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT; THE CENTER OF WHICH BEARS SOUTH 38°20'43” WEST; THENCE NORTHWESTERLY 17.40 FEET ALONG THE ARC OF SAID CURVE; CHORD TO SAID CURVE BEARS NORTH 70°49'38” WEST 17.08 FEET; THENCE NORTH 89°59'59” WEST 13.83 FEET; THENCE SOUTH 00°21'55” WEST 93.00 FEET; THENCE NORTH 89°59'59” WEST 164.34 FEET; THENCE NORTH 48°45'17” WEST 406.46 FEET; THENCE SOUTH 41°14'43” WEST 158.50 FEET; THENCE NORTH 48°45'17” WEST 52.06 FEET; THENCE SOUTH 41°14'43” WEST 231.00 FEET; THENCE NORTH 48°45'17” WEST 10.00 FEET;
THENCE SOUTH 41°14'46” WEST 85.00 FEET; THENCE SOUTH 48°45'17” EAST 50.69 FEET; THENCE SOUTH 41°14'56” WEST 121.14 FEET TO A POINT ON THE WEST LINE OF WASATCH CANAL AS DESCRIBED IN THAT CONTRACT AND GRANT OF EASEMENT RECORDED AS ENTRY NO. 212641 OF SAID RECORDS; THENCE ALONG SAID WEST LINE OF THE WASATCH CANAL THE FOLLOWING FORTY-NINE COURSES: (1) NORTH 56°31'55" WEST 24.56 FEET; (2) NORTHWESTERLY 52.18 FEET ALONG A 139.48 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 21°26'10" AND A LONG CHORD OF NORTH 45°48'50" WEST 51.88 FEET; (3) NORTH 35°05'45" WEST 32.66 FEET; (4) NORTHWESTERLY 24.90 FEET ALONG A 52.16 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 27°21'17" AND A LONG CHORD OF NORTH 48°46'23" WEST 24.67 FEET; (5) NORTH 62°27'02" WEST 31.01 FEET; (6) NORTHWESTERLY 59.68 FEET ALONG A 100.00 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 34°11'34" AND A LONG CHORD OF NORTH 45°21'15" WEST 58.80 FEET; (7) NORTH 28°15'28" WEST 46.48 FEET; (8) NORTHWESTERLY 27.92 FEET ALONG A 75.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 21°19'55" AND A LONG CHORD OF NORTH 38°55'26" WEST 27.76 FEET; (9) NORTH 49°35'23" WEST 30.70 FEET; (10) NORTHWESTERLY 89.92 FEET ALONG A 200.95 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 25°38'22" AND A LONG CHORD OF NORTH 36°46'12" WEST 89.18 FEET; (11) NORTH 23°57'01" WEST 161.09 FEET; (12) NORTHERLY 56.02 FEET ALONG A 129.03 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 24°52'29" AND A LONG CHORD OF NORTH 11°30'47" WEST 55.58 FEET; (13) NORTH 0°55'28" EAST 27.79 FEET; (14)

NORTHWESTERLY 13.67 FEET ALONG A 19.04 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 41°08'53" AND A LONG CHORD OF NORTH 19°38'58" WEST 13.38 FEET; (15) NORTH 40°13'25" WEST 94.27 FEET; (16) NORTHERLY 88.73 FEET ALONG A 107.33 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°22'02" AND A LONG CHORD OF NORTH 16°32'24" WEST 86.23 FEET; (17) NORTH 7°08'37" EAST 78.23 FEET; (18) NORTHERLY 25.17 FEET ALONG A 99.68 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 14°27'55" AND A LONG CHORD OF NORTH 0°05'21" WEST 25.10 FEET; (19) NORTH 7°19'18" WEST 115.57 FEET; (20) NORTHWESTERLY 22.33 FEET ALONG A 12.44 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 102°52'01" AND A LONG CHORD OF NORTH 58°45'19" WEST 19.45 FEET; (21) SOUTH 69°48'41" WEST 41.25 FEET; (22) NORTHWESTERLY 126.93 FEET ALONG A 109.54 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 66°23'22" AND A LONG CHORD OF NORTH 76°59'38" WEST 119.94 FEET; (23) NORTH 43°47'57" WEST 25.44 FEET; (24) NORTHWESTERLY 32.56 FEET ALONG A 99.98 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°39'30" AND A LONG CHORD OF NORTH 53°07'42" WEST 32.41 FEET; (25) NORTHWESTERLY 45.58 FEET ALONG A 162.73 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 16°02'54" AND A LONG CHORD OF NORTH 54°26'00" WEST 45.43 FEET; (26) NORTH 46°24'33" WEST 16.21 FEET; (27) NORTHERLY 91.08 FEET ALONG A 98.34 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 53°04'03" AND A LONG CHORD OF NORTH 19°52'32" WEST 87.86 FEET; (28) NORTH 6°39'30" EAST 49.88 FEET; (29) NORTHWESTERLY 4.32 FEET ALONG A 3.28 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 75°25'34" AND A LONG CHORD OF NORTH 31°03'17" WEST 4.01 FEET; (30) NORTH 68°46'04" WEST 27.75 FEET; (31) NORTHWESTERLY 50.30 FEET ALONG A 340.23 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 8°28'12" AND A LONG CHORD OF NORTH 73°00'10" WEST 50.25 FEET; (32) NORTH 77°14'16" WEST 41.08 FEET; (33) NORTHWESTERLY 51.44 FEET ALONG A 124.93 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 23°35'29" AND A LONG CHORD OF NORTH 65°26'31" WEST 51.08 FEET; (34) NORTH 53°38'47" WEST 38.81 FEET; (35) NORTHWESTERLY 61.02 FEET ALONG A 138.65 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 25°12'50" AND A LONG CHORD OF NORTH 41°02'22" WEST 60.52 FEET; (36) NORTH 28°25'57" WEST 39.08 FEET; (37) NORTHWESTERLY 43.52 FEET ALONG A 64.31 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 38°46'17" AND A LONG CHORD OF NORTH 47°49'05" WEST 42.69 FEET; (38) NORTH 67°12'14" WEST 30.51 FEET; (39) NORTHWESTERLY 99.61 FEET ALONG A 133.72 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 42°40'53" AND A LONG CHORD OF NORTH 45°51'47" WEST 97.32 FEET; (40) NORTH 24°31'21" WEST 30.12 FEET; (41) NORTHWESTERLY 61.74 FEET ALONG A 273.10 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 12°57'12" AND A LONG CHORD OF NORTH 30°59'57" WEST 61.61 FEET; (42) NORTH 37°28'33" WEST 20.28 FEET; (43) NORTHERLY 79.97 FEET ALONG A 65.40 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 70°03'24" AND A LONG CHORD OF NORTH 2°26'51" WEST 75.08 FEET; (44) NORTH 32°34'51" EAST 61.85 FEET; (45) NORTHERLY 4.17 FEET ALONG A 4.35 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 54°54'55" AND A LONG CHORD OF NORTH 5°07'24" EAST 4.01 FEET; (46) NORTH 22°20'04" WEST 44.62 FEET; (47) NORTHERLY 41.59 FEET ALONG A 59.20 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 40°14'52" AND A LONG CHORD OF NORTH 2°12'38" WEST 40.74 FEET; (48) NORTH 17°54'48" EAST 63.72 FEET; (49) NORTHERLY 6.30 FEET ALONG A 12.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 30°03'44" AND A LONG CHORD OF NORTH 2°52'56" EAST 6.22 FEET TO THE POINT OF BEGINNING. CONTAINING 75.07 ACRES.

PID #2

A PARCEL OF LAND LOCATED IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT BEING SOUTH 0º08'37" EAST 488.17 FEET ALONG THE SECTION LINE AND EAST 1885.12 FEET FROM THE WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04º04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS); AND RUNNING THENCE EAST 70.00 FEET; THENCE SOUTH 70.00 FEET; THENCE WEST 70.00 FEET; THENCE NORTH 70.00 FEET TO THE POINT OF BEGINNING.
CONTAINING 0.11 ACRES.

PID #3

A PARCEL OF LAND LOCATED IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT A POINT BEING SOUTH 0º08'37" EAST 658.17 FEET ALONG THE SECTION LINE AND EAST 1884.69 FEET FROM THE WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04º04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS);
AND RUNNING THENCE EAST 70.00 FEET; THENCE SOUTH 70.00 FEET; THENCE WEST 70.00 FEET; THENCE NORTH 70.00 FEET TO THE POINT OF BEGINNING.
CONTAINING 0.11 ACRES.

LEGAL DESCRIPTION OF OVERALL ANNEXATION AREA BOUNDARY

A PARCEL OF LAND LOCATED IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE WASATCH CANAL, AND THE SOUTH PROPERTY LINE OF THE UTAH VALLEY STATE COLLEGE PROPERTY AS DESCRIBED PER ENTRY NO. 333087, SAID INTERSECTION BEING NORTH 00°29'50" WEST 118.62 FEET ALONG THE SECTION LINE AND EAST 427.42 FEET FROM THE WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04º04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS);
RUNNING THENCE ALONG SAID SOUTH PROPERTY LINE NORTH 58°00'22" EAST 202.21 FEET; THENCE NORTH 48°11'59" EAST 1098.03 FEET TO THE CENTERLINE OF THE TIMPANOGOS CANAL AS DESCRIBED IN THAT CONTRACT AND GRANT OF EASEMENT RECORDED AS ENTRY NO. 212641 OF SAID RECORDS; THENCE ALONG SAID CENTERLINE OF SAID CANAL THE FOLLOWING NINE COURSES: (1) NORTH 17°22'52" WEST 54.83 FEET; (2) NORTHWESTERLY 62.66 FEET ALONG A 57.21 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 62°45'14" AND A LONG CHORD OF NORTH 48°45'29" WEST 59.57 FEET; (3) NORTH 80°08'06" WEST 50.43 FEET; (4) NORTHWESTERLY 80.09 FEET ALONG A 77.16 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 59°28'06" AND A LONG CHORD OF NORTH 50°24'03" WEST 76.54 FEET; (5) NORTH 20°40'00" WEST 67.54 FEET; (6) NORTH 20°40'00" WEST 39.32 FEET (7) NORTHWESTERLY 26.35 FEET ALONG A 73.32 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 20°35'35" AND A LONG CHORD OF NORTH 30°57'47" WEST 26.21 FEET; (8) NORTH 41°15'35" WEST 114.29 FEET; (9) NORTHWESTERLY 11.22 FEET ALONG A 3029.45 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 0°12'44" AND A LONG CHORD OF NORTH 41°09'13" WEST 11.22 FEET TO A POINT ON THE EXTENSION THEREOF OF THE SOUTH PROPERTY LINE OF REINVESTMENT HOLDINGS PARCEL PER ENTRY NO. 371165; THENCE ALONG SOUTH PROPERTY LINE SOUTH 89°54'54" EAST 593.13 FEET; THENCE NORTH 21°24'08" EAST 258.16 FEET; THENCE SOUTH 70°03'55" EAST 252.30 FEET; THENCE SOUTH 26°05'49" EAST 172.53 FEET TO A POINT ON THE SOUTH PROPERTY LINE OF THE REINVESTMENT HOLDINGS PARCEL PER ENTRY NO. 371165; THENCE SOUTH 89°54'54" EAST 87.44 FEET TO A POINT ON THE SOUTHWESTERLY RIGHT OF WAY LINE OF A PROPOSED COLLECTOR ROAD;
THENCE ALONG THE SOUTHWESTERLY RIGHT OF WAY LINE OF PROPOSED COLLECTOR ROAD THE FOLLOWING FIVE (5) COURSES & DISTANCES:
(1) SOUTH 19°59'55" EAST 438.90 FEET TO A POINT OF CURVATURE;
(2) SOUTHERLY 109.47 FEET ALONG THE ARC OF A 384.00 FOOT RADIUS CURVE TO THE LEFT; CHORD BEARS SOUTH 28°09'56" EAST 109.10 FEET;
(3) SOUTH 36°19'58" EAST 219.31 FEET TO A POINT OF CURVATURE;
(4) SOUTHEASTERLY 96.86 FEET ALONG THE ARC OF A 384.00 FOOT RADIUS CURVE TO THE LEFT; CHORD BEARS SOUTH 43°33'32" EAST 96.60 FEET;
(5) SOUTH 50°47'07" EAST 679.45 FEET;
THENCE SOUTH 39°12'53" WEST 160.00 FEET; THENCE SOUTH 48°47'41" WEST 209.84 FEET; THENCE SOUTH 47°21'15" WEST 58.64 FEET; THENCE SOUTH 11°49'56" EAST 40.21 FEET; THENCE SOUTH 49°46'59" WEST 126.86 FEET; THENCE SOUTH 59°43'42" WEST 112.86 FEET TO A POINT ON THE WEST PROPERTY LINE OF SAID REINVESTMENT HOLDINGS PARCEL PER ENTRY NO. 371165; THENCE ALONG SAID WEST PROPERTY LINE SOUTH 0°00'09" WEST 109.74 FEET TO THE CENTERLINE OF THE

TIMPANOGOS CANAL AS DESCRIBED IN THAT CONTRACT AND GRANT OF EASEMENT RECORDED AS ENTRY NO. 212641 OF SAID RECORDS; THENCE ALONG SAID CENTERLINE THE FOLLOWING EIGHT COURSES:
(1) NORTH 10°34'34" WEST 26.14 FEET; (2) NORTHWESTERLY 18.66 FEET ALONG A 63.10 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 16°56'26" AND A LONG CHORD OF NORTH 19°02'47" WEST 18.59 FEET;
(3) NORTHWESTERLY 31.79 FEET ALONG A 63.10 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 28°51'57" AND A LONG CHORD OF NORTH 41°56'59" WEST 31.45 FEET;
(4) NORTH 56°22'57" WEST 51.03 FEET; (5) NORTHWESTERLY 56.42 FEET ALONG A 130.89 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 24°41'49" AND A LONG CHORD OF NORTH 44°02'02" WEST 55.98 FEET; (6) NORTH 31°41'08" WEST 60.09 FEET; (7) NORTHWESTERLY 126.00 FEET ALONG A 664.07 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 10°52'18" AND A LONG CHORD OF NORTH 37°07'17" WEST 125.82 FEET; (8) NORTH 42°33'26" WEST 8.76 FEET TO THE NORTH PROPERTY LINE OF THE VIEWPOINT HOLDINGS, LLC, PARCEL 1, PER ENTRY NO. 490647; THENCE ALONG SAID NORTH PROPERTY LINE NORTH 89°59'12" WEST 303.12 FEET TO THE NORTHWEST PROPERTY CORNER OF SAID VIEWPOINT HOLDINGS, LLC PARCEL; THENCE ALONG THE WEST PROPERTY LINE SOUTH 0°00'48" WEST 425.00 FEET, THENCE SOUTH 0°32'12" EAST 134.12 FEET TO THE SOUTHWEST PROPERTY CORNER OF THE VIEWPOINT HOLDINGS, LLC, PARCEL 2, PER ENTRY NO. 490647; THENCE ALONG THE SOUTH PROPERTY LINE NORTH 89°49'38" EAST 528.67 FEET TO A POINT ON THE WEST PROPERTY LINE OF THE REINVESTMENT HOLDINGS PARCEL PER ENTRY NO. 371165; THENCE SOUTH 0°00'09" WEST 1263.25 FEET TO THE NORTH PROPERTY LINE OF TRUDY F BISEL PARCEL PER ENTRY NO. 442517; THENCE ALONG SAID NORTH PROPERTY LINE NORTH 89°59'12" WEST 676.35 FEET TO THE CENTERLINE OF THE WASATCH CANAL; THENCE NORTH 89°59'12" WEST 52.77 FEET TO A POINT ON THE WEST LINE OF WASATCH CANAL AS DESCRIBED IN THAT CONTRACT AND GRANT OF EASEMENT RECORDED AS ENTRY NO. 212641 OF SAID RECORDS; THENCE ALONG SAID WEST LINE OF THE WASATCH CANAL THE FOLLOWING FIFTY-TWO COURSES:
(1) NORTHWESTERLY 36.10 FEET ALONG A 180.84 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 11°26'10" AND A LONG CHORD OF NORTH 48°19'44" WEST 36.04 FEET; (2) NORTH 42°36'39" WEST 243.31 FEET; (3) NORTHWESTERLY 59.37 FEET ALONG A 244.36 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 13°55'16" AND A LONG CHORD OF NORTH 49°34'17" WEST 59.23 FEET; (4) NORTH 56°31'55" WEST 141.96 FEET; (5) NORTHWESTERLY 52.18 FEET ALONG A 139.48 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 21°26'10" AND A LONG CHORD OF NORTH 45°48'50" WEST 51.88 FEET; (6) NORTH 35°05'45" WEST 32.66 FEET; (7) NORTHWESTERLY 24.90 FEET ALONG A 52.16 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 27°21'17" AND A LONG CHORD OF NORTH 48°46'23" WEST 24.67 FEET; (8) NORTH 62°27'02" WEST 31.01 FEET; (9) NORTHWESTERLY 59.68 FEET ALONG A 100.00 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 34°11'34" AND A LONG CHORD OF NORTH 45°21'15" WEST 58.80 FEET; (10) NORTH 28°15'28" WEST 46.48 FEET; (11) NORTHWESTERLY 27.92 FEET ALONG A 75.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 21°19'55" AND A LONG CHORD OF NORTH 38°55'26" WEST 27.76 FEET; (12) NORTH 49°35'23" WEST 30.70 FEET; (13) NORTHWESTERLY 89.92 FEET ALONG A 200.95 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 25°38'22" AND A LONG CHORD OF NORTH 36°46'12" WEST 89.18 FEET; (14) NORTH 23°57'01" WEST 161.09 FEET; (15) NORTHERLY 56.02 FEET ALONG A 129.03 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 24°52'29" AND A LONG CHORD OF NORTH 11°30'47" WEST 55.58 FEET; (16) NORTH 0°55'28" EAST 27.79 FEET; (17) NORTHWESTERLY 13.67 FEET ALONG A 19.04 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 41°08'53" AND A LONG CHORD OF NORTH 19°38'58" WEST 13.38 FEET; (18) NORTH 40°13'25" WEST 94.27 FEET; (19) NORTHERLY 88.73 FEET ALONG A 107.33 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°22'02" AND A LONG CHORD OF NORTH 16°32'24" WEST 86.23 FEET;

(20) NORTH 7°08'37" EAST 78.23 FEET; (21) NORTHERLY 25.17 FEET ALONG A 99.68 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 14°27'55" AND A LONG CHORD OF NORTH 0°05'21" WEST 25.10 FEET; (22) NORTH 7°19'18" WEST 115.57 FEET; (23) NORTHWESTERLY 22.33 FEET ALONG A 12.44 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 102°52'01" AND A LONG CHORD OF NORTH 58°45'19" WEST 19.45 FEET; (24) SOUTH 69°48'41" WEST 41.25 FEET; (25) NORTHWESTERLY 126.93 FEET ALONG A 109.54 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 66°23'22" AND A LONG CHORD OF NORTH 76°59'38" WEST 119.94 FEET; (26) NORTH 43°47'57" WEST 25.44 FEET; (27) NORTHWESTERLY 32.56 FEET ALONG A 99.98 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°39'30" AND A LONG CHORD OF NORTH 53°07'42" WEST 32.41 FEET; (28) NORTHWESTERLY 45.58 FEET ALONG A 162.73 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 16°02'54" AND A LONG CHORD OF NORTH 54°26'00" WEST 45.43 FEET; (29) NORTH 46°24'33" WEST 16.21 FEET; (30) NORTHERLY 91.08 FEET ALONG A 98.34 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 53°04'03" AND A LONG CHORD OF NORTH 19°52'32" WEST 87.86 FEET; (31) NORTH 6°39'30" EAST 49.88 FEET; (32) NORTHWESTERLY 4.32 FEET ALONG A 3.28 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 75°25'34" AND A LONG CHORD OF NORTH 31°03'17" WEST 4.01 FEET; (33) NORTH 68°46'04" WEST 27.75 FEET; (34) NORTHWESTERLY 50.30 FEET ALONG A 340.23 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 8°28'12" AND A LONG CHORD OF NORTH 73°00'10" WEST 50.25 FEET; (35) NORTH 77°14'16" WEST 41.08 FEET; (36) NORTHWESTERLY 51.44 FEET ALONG A 124.93 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 23°35'29" AND A LONG CHORD OF NORTH 65°26'31" WEST 51.08 FEET; (37) NORTH 53°38'47" WEST 38.81 FEET; (38) NORTHWESTERLY 61.02 FEET ALONG A 138.65 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 25°12'50" AND A LONG CHORD OF NORTH 41°02'22" WEST 60.52 FEET; (39) NORTH 28°25'57" WEST 39.08 FEET; (40) NORTHWESTERLY 43.52 FEET ALONG A 64.31 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 38°46'17" AND A LONG CHORD OF NORTH 47°49'05" WEST 42.69 FEET; (41) NORTH 67°12'14" WEST 30.51 FEET; (42) NORTHWESTERLY 99.61 FEET ALONG A 133.72 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 42°40'53" AND A LONG CHORD OF NORTH 45°51'47" WEST 97.32 FEET; (43) NORTH 24°31'21" WEST 30.12 FEET; (44) NORTHWESTERLY 61.74 FEET ALONG A 273.10 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 12°57'12" AND A LONG CHORD OF NORTH 30°59'57" WEST 61.61 FEET; (45) NORTH 37°28'33" WEST 20.28 FEET; (46) NORTHERLY 79.97 FEET ALONG A 65.40 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 70°03'24" AND A LONG CHORD OF NORTH 2°26'51" WEST 75.08 FEET; (47) NORTH 32°34'51" EAST 61.85 FEET; (48) NORTHERLY 4.17 FEET ALONG A 4.35 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 54°54'55" AND A LONG CHORD OF NORTH 5°07'24" EAST 4.01 FEET; (49) NORTH 22°20'04" WEST 44.62 FEET; (50) NORTHERLY 41.59 FEET ALONG A 59.20 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 40°14'52" AND A LONG CHORD OF NORTH 2°12'38" WEST 40.74 FEET; (51) NORTH 17°54'48" EAST 63.72 FEET; (52) NORTHERLY 6.30 FEET ALONG A 12.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 30°03'44" AND A LONG CHORD OF NORTH 2°52'56" EAST 6.22 FEET TO THE POINT OF BEGINNING.

CONTAINING 116.26 ACRES.

EXHIBIT B

Vicinity Map

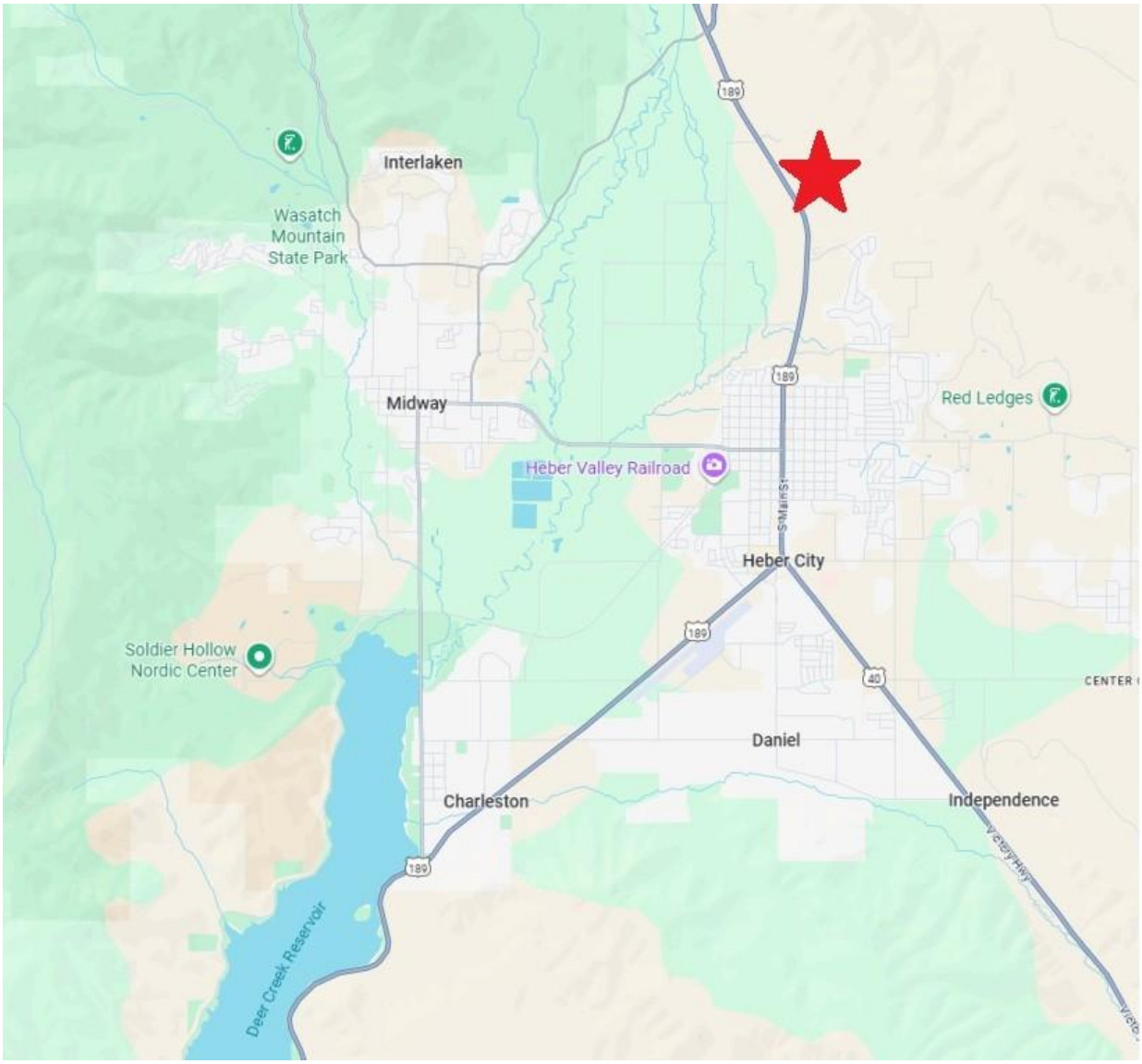


EXHIBIT C

Initial District Boundaries Map and Annexation Area Map

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 1
FINAL LOCAL ENTITY PLAT

LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

LEGAL DESCRIPTION

PID #1

A PARCEL OF LAND LOCATED IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE WEST LINE OF THE WASATCH CANAL, AND THE SOUTH PROPERTY LINE OF THE UTAH VALLEY STATE COLLEGE PROPERTY AS DESCRIBED PER ENTRY NO. 333087, SAID INTERSECTION BEING NORTH 00°29'50" WEST 118.62 FEET ALONG THE SECTION LINE AND EAST 427.42 FEET FROM THE WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04°04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS);

AND RUNNING THENCE ALONG SAID SOUTH PROPERTY LINE NORTH 58°00'22" EAST 202.21 FEET; THENCE NORTH 48°11'59" EAST 1119.99 FEET TO THE EASTERLY LINE OF THE TIMPANOGAS CANAL EASEMENT; THENCE ALONG THE EASTERLY LINE OF THE TIMPANOGAS CANAL EASEMENT AS DEFINED IN ENTRY 212641 ON FILE AND OF RECORD IN THE WASATCH COUNTY RECORDER'S OFFICE THE FOLLOWING TWENTY-FIVE COURSES: 1.) SOUTH 17°22'52" EAST 10.92 FEET TO THE POINT OF CURVATURE OF A 177.03 FOOT RADIUS CURVE TO THE LEFT 2.) 66.25 FEET SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 21°26'27", (CHORD BEARS SOUTH 28°06'06" EAST, 65.86 FEET); 3.) SOUTH 38°49'19" EAST 68.81 FEET TO THE POINT OF CURVATURE OF A 251.84 FOOT RADIUS CURVE TO THE LEFT; 4.)153.32 FEET SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 34°52'56" (CHORD BEARS SOUTH 56°15'47" EAST 150.97 FEET); 5.) SOUTH 73°42'15" EAST 47.85 FEET TO THE POINT OF CURVATURE OF A 125.11 FOOT RADIUS CURVE TO THE LEFT; 6.) 102.18 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 46°47'37" (CHORD BEARS NORTH 82°53'56" EAST 99.36 FEET); 7.) NORTH 59°30'08" EAST 51.86 FEET TO THE POINT OF CURVATURE OF A 93.38 FOOT RADIUS CURVE TO THE RIGHT; 8.) 92.41 EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 56°41'56" (CHORD BEARS NORTH 87°51'06" EAST 88.68 FEET); 9.) SOUTH 63°47'56" EAST 33.28 FEET TO THE POINT OF CURVATURE OF A 62.98 FOOT RADIUS CURVE TO THE LEFT; 10.) 17.42 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 15°50'53" (CHORD BEARS SOUTH 71°43'23" EAST 17.36 FEET; 11.) SOUTH 79°38'49" EAST 47.57 FEET TO THE ARC OF A 93.79 FOOT RADIUS CURVE TO THE RIGHT.

12.) 102.94 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 62°53'13" (CHORD BEARS SOUTH 48°12'13" EAST 97.85 FEET;

13.) SOUTH 16°45'36" EAST 37.83 FEET TO THE POINT OF CURVATURE OF A 386.33 FOOT RADIUS CURVE TO THE LEFT;

14.) 75.16 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°08'48" (CHORD BEARS SOUTH 22°20'00" EAST 75.04 FEET) TO THE POINT OF REVERSE CURVATURE WITH A 82.84 FOOT RADIUS CURVE TO THE RIGHT;

15.) 73.24 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 50°39'13" (CHORD BEARS SOUTH 02°34'48" EAST 70.87 FEET);

16.) SOUTH 22°44'49" WEST 52.83 FEET TO THE POINT OF A 176.59 FOOT RADIUS CURVE TO THE LEFT;

17.) 109.27 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 35°27'14" (CHORD BEARS SOUTH 05°01'12" WEST 107.54 FEET);

18.) SOUTH 12°42'25" EAST 91.64 FEET TO THE POINT OF CURVATURE OF A 201.47 FOOT RADIUS CURVE TO THE LEFT;

19.) 112.37 FEET EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 31°57'22" (CHORD BEARS SOUTH 28°41'06" EAST 110.92 FEET);

20.) SOUTH 44°39'47" EAST 168.84 FEET TO THE POINT OF CURVATURE OF A 141.62 FOOT RADIUS CURVE TO THE RIGHT;

21.) 36.20 FEET SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 14°38'41" (CHORD BEARS SOUTH 37°20'26" EAST 36.10 FEET);

22.) SOUTH 30°01'06" EAST 122.94 FEET TO THE POINT OF CURVATURE OF A 312.41 FOOT RADIUS CURVE TO THE LEFT;

23.) 68.37 FEET SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 12°32'20" (CHORD BEARS SOUTH 36°17'16" EAST 68.23 FEET);

24.) SOUTH 42°33'26" EAST 33.06 FEET TO THE POINT OF A 684.07 FOOT RADIUS CURVE TO THE RIGHT;

25.) 9.55 FEET SOUTHEASTERLY THROUGH A CENTRAL ANGLE OF 00°48'00" (CHORD BEARS SOUTH 42°09'26" EAST 9.55 FEET);

THENCE LEAVING SAID EASTERLY LINE OF THE TIMPANOGAS CANAL EASEMENT NORTH 89°59'12" WEST 330.19 FEET; TO A POINT ON THE WEST LINE OF THE MARK POTTER PARCEL, AS DESRIBED PER ENTRY NO. 544002, ON FILE IN THE OFFICE OF THE WASATCH COUNTY RECORDER; THENCE ALONG THE WEST PROPERTY LINE OF SAID PARCEL SOUTH 0°00'48" WEST 425.00 FEET TO THE NORTHWEST CORNER OF THE MARK POTTER PARCEL 2, AS DESCRIBED PER SAID ENTRY NO. 544002; THENCE SOUTH 0°32'12" EAST 134.12 FEET TO THE SOUTHWEST PROPERTY CORNER OF SAID PARCEL 2; THENCE ALONG THE SOUTH PROPERTY LINE NORTH 89°49'38" EAST 528.67 FEET; THENCE SOUTH 00°00'09" WEST 705.59 FEET ALONG THE CENTER SECTION LINE; THENCE NORTH 89°59'56" WEST 162.09 FEET; THENCE NORTH 00°21'55" EAST 8.45 FEET TO A POINT ON A 26.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT; THE CENTER OF WHICH BEARS SOUTH 38°20'43" WEST; THENCE NORTHWESTERLY 17.40 FEET ALONG THE ARC OF SAID CURVE; CHORD TO SAID CURVE BEARS NORTH 70°49'38" WEST 17.08 FEET; THENCE NORTH 89°59'59" WEST 13.83 FEET; THENCE SOUTH 00°21'55" WEST 93.00 FEET; THENCE NORTH 89°59'59" WEST 164.34 FEET; THENCE NORTH 48°45'17" WEST 406.46 FEET; THENCE SOUTH 41°14'43" WEST 158.50 FEET; THENCE NORTH 48°45'17" WEST 52.06 FEET; THENCE SOUTH 41°14'43" WEST 231.00 FEET; THENCE NORTH 48°45'17" WEST 10.00 FEET;

THENCE SOUTH 41°14'46" WEST 85.00 FEET; THENCE SOUTH 48°45'17" EAST 50.69 FEET; THENCE SOUTH 41°14'56" WEST 121.14 FEET TO A POINT ON THE WEST LINE OF WASATCH CANAL AS DESCRIBED IN THAT CONTRACT AND GRANT OF EASEMENT RECORDED AS ENTRY NO. 212641 OF SAID RECORDS; THENCE ALONG SAID WEST LINE OF THE WASATCH CANAL THE FOLLOWING FORTY-NINE COURSES:

(1) NORTH 56°31'55" WEST 24.56 FEET; (2) NORTHWESTERLY 52.18 FEET ALONG A 139.48 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 21°26'10" AND A LONG CHORD OF NORTH 45°48'50" WEST 51.88 FEET; (3) NORTH 35°05'45" WEST 32.66 FEET; (4) NORTHWESTERLY 24.90 FEET ALONG A 52.16 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 27°21'17" AND A LONG CHORD OF NORTH 48°46'23" WEST 24.67 FEET; (5) NORTH 62°27'02" WEST 31.01 FEET; (6) NORTHWESTERLY 59.68 FEET ALONG A 100.00 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 34°11'34" AND A LONG CHORD OF NORTH 45°21'15" WEST 58.80 FEET; (7) NORTH 28°15'28" WEST 46.48 FEET; (8) NORTHWESTERLY 27.92 FEET ALONG A 75.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 21°19'55" AND A LONG CHORD OF NORTH 38°55'26" WEST 27.76 FEET; (9) NORTH 49°35'23" WEST 30.70 FEET; (10) NORTHWESTERLY 89.92 FEET ALONG A 200.95 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 25°38'22" AND A LONG CHORD OF NORTH 36°46'12" WEST 89.18 FEET; (11) NORTH 23°57'01" WEST 161.09 FEET; (12) NORTHERLY 56.02 FEET ALONG A 129.03 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 24°52'29" AND A LONG CHORD OF NORTH 11°30'47" WEST 55.58 FEET; (13) NORTH 0°55'28" EAST 27.79 FEET; (14) NORTHWESTERLY 13.67 FEET ALONG A 19.04 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 41°08'53" AND A LONG CHORD OF NORTH 19°38'58" WEST 13.38 FEET; (15) NORTH 40°13'25" WEST 94.27 FEET; (16) NORTHERLY 88.73 FEET ALONG A 107.33 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 47°22'02" AND A LONG CHORD OF NORTH 16°32'24" WEST 86.23 FEET; (17) NORTH 7°08'37" EAST 78.23 FEET; (18) NORTHERLY 25.17 FEET ALONG A 99.68 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 14°27'55" AND A LONG CHORD OF NORTH 0°05'21" WEST 25.10 FEET; (19) NORTH 7°19'18" WEST 115.57 FEET; (20) NORTHWESTERLY 22.33 FEET ALONG A 12.44 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 102°52'01" AND A LONG CHORD OF NORTH 58°45'15" WEST 19.45 FEET; (21) SOUTH 69°48'41" WEST 41.25 FEET; (22) NORTHWESTERLY 126.93 FEET ALONG A 109.54 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 66°23'22" AND A LONG CHORD OF NORTH 76°59'38" WEST 119.94 FEET; (23) NORTH 43°47'57" WEST 25.44 FEET; (24) NORTHWESTERLY 32.56 FEET ALONG A 99.98 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°39'30" AND A LONG CHORD OF NORTH 53°07'42" WEST 32.41 FEET; (25) NORTHWESTERLY 45.58 FEET ALONG A 162.73 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 16°02'54" AND A LONG CHORD OF NORTH 54°26'00" WEST 45.43 FEET; (26) NORTH 46°24'33" WEST 16.21 FEET; (27) NORTHERLY 91.08 FEET ALONG A 98.34 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 53°04'03" AND A LONG CHORD OF NORTH 19°52'32" WEST 87.86 FEET; (28) NORTH 6°39'30" EAST 49.88 FEET; (29) NORTHWESTERLY 4.32 FEET ALONG A 3.28 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 75°25'34" AND A LONG CHORD OF NORTH 31°03'17" WEST 4.01 FEET; (30) NORTH 68°46'04" WEST 27.75 FEET; (31) NORTHWESTERLY 50.30 FEET ALONG A 340.23 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 8°28'12" AND A LONG CHORD OF NORTH 73°00'10" WEST 50.25 FEET; (32) NORTH 77°14'16" WEST 41.08 FEET; (33) NORTHWESTERLY 51.44 FEET ALONG A 124.93 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 23°35'29" AND A LONG CHORD OF NORTH 65°26'31" WEST 51.08 FEET; (34) NORTH 53°38'47" WEST 38.81 FEET; (35) NORTHWESTERLY 61.02 FEET ALONG A 138.65 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 25°12'50" AND A LONG CHORD OF NORTH 41°02'22" WEST 60.52 FEET; (36) NORTH 28°25'57" WEST 39.08 FEET; (37) NORTHWESTERLY 43.52 FEET ALONG A 64.31 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 38°46'17" AND A LONG CHORD OF NORTH 47°49'05" WEST 42.69 FEET; (38) NORTH 67°12'14" WEST 30.51 FEET; (39) NORTHWESTERLY 99.61 FEET ALONG A 133.72 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 42°40'53" AND A LONG CHORD OF NORTH 45°51'47" WEST 97.32 FEET; (40) NORTH 24°31'21" WEST 30.12 FEET; (41) NORTHWESTERLY 61.74 FEET ALONG A 273.10 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 12°57'12" AND A LONG CHORD OF NORTH 30°59'57" WEST 61.61 FEET; (42) NORTH 37°28'33" WEST 20.28 FEET; (43) NORTHERLY 79.97 FEET ALONG A 65.40 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 70°03'24" AND A LONG CHORD OF NORTH 2°26'51" WEST 75.08 FEET; (44) NORTH 32°34'51" EAST 61.85 FEET; (45) NORTHERLY 4.17 FEET ALONG A 4.35 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 54°54'55" AND A LONG CHORD OF NORTH 5°07'24" EAST 4.01 FEET; (46) NORTH 22°20'04" WEST 44.62 FEET; (47) NORTHERLY 41.59 FEET ALONG A 59.20 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 40°14'52" AND A LONG CHORD OF NORTH 2°12'38" WEST 40.74 FEET; (48) NORTH 17°54'48" EAST 63.72 FEET; (49) NORTHERLY 6.30 FEET ALONG A 12.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 30°03'44" AND A LONG CHORD OF NORTH 2°52'56" EAST 6.22 FEET TO THE POINT OF BEGINNING.

CONTAINING 75.07 ACRES.

LINE & CURVE TABLES

Line Table

Line #	Length	Direction
L1	10.92	S17° 22' 52"E
L2	68.81	S38° 49' 19"E
L3	47.85	S73° 42' 15"E
L4	51.86	N59° 30' 08"E
L5	33.28	S63° 47' 56"E
L6	47.57	S79° 38' 49"E
L7	37.83	S16° 45' 36"E
L8	52.83	S22° 44' 49"W
L9	91.64	S12° 42' 25"E
L10	168.84	S44° 39' 47"E
L11	122.94	S30° 01' 06"E
L12	33.06	S42° 33' 26"E
L13	134.12	S0° 32' 12"E
L14	162.09	N89° 59' 56"W
L15	8.45	N0° 21' 55"E
L16	13.83	N89° 59' 59"W
L17	93.00	S0° 21' 55"W
L18	164.34	N89° 59' 59"W
L19	158.50	S41° 14' 43"W
L20	52.06	N48° 45' 17"W
L21	10.00	N48° 45' 17"W
L22	85.00	S41° 14' 46"W
L23	50.69	S48° 45' 17"E
L24	121.14	S41° 14' 56"W
L25	24.56	N56° 31' 55"W
L26	32.66	N35° 05' 45"W
L27	31.01	N62° 27' 02"W
L28	46.48	N28° 15' 28"W
L29	30.70	N49° 35' 23"W
L30	161.09	N23° 57' 01"W
L31	27.79	N0° 55' 28"E
L32	94.27	N40° 13' 25"W
L33	78.23	N7° 08' 37"E
L34	115.57	N7° 19' 18"W
L35	41.25	S69° 48' 41"W
L36	25.44	N43° 47' 57"W
L37	16.21	N46° 24' 33"W
L38	49.88	N6° 39' 30"E
L39	27.75	N68° 46' 04"W
L40	41.08	N77° 14' 16"W
L41	38.81	N53° 38' 47"W
L42	39.08	N28° 25' 57"W
L43	30.51	N67° 12' 14"W
L44	30.12	N24° 31' 21"W
L45	20.28	N37° 28' 33"W
L46	61.85	N32° 34' 51"E
L47	44.62	N22° 20' 04"W
L48	63.72	N17° 54' 48"E

Curve Table

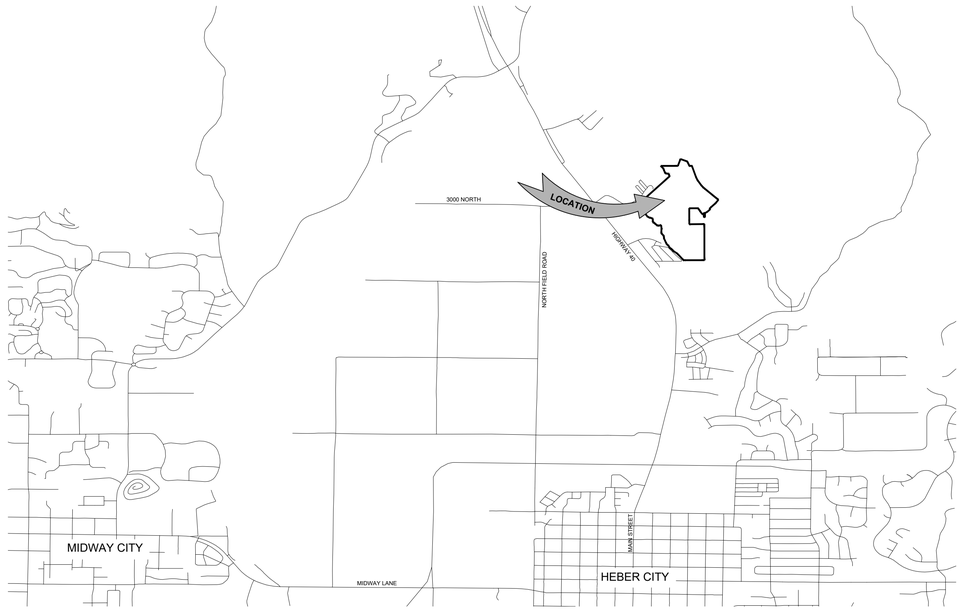
Curve #	Length	Radius	Delta	Bearing	Chord
C1	66.25	177.03	21°26'27"	S28° 06' 06"E	65.86
C2	153.32	251.84	34°52'56"	S56° 15' 47"E	150.97
C3	102.18	125.11	46°47'37"	N82° 53' 56"E	99.36
C4	92.41	93.38	56°41'56"	N87° 51' 06"E	88.68
C5	17.42	62.98	15°50'53"	S71° 43' 23"E	17.36
C6	102.94	93.79	62°53'13"	S48° 12' 13"E	97.85
C7	75.16	386.33	11°08'48"	S22° 20' 00"E	75.04
C8	73.24	82.84	50°39'13"	S2° 34' 48"E	70.87
C9	109.27	176.59	35°27'14"	S5° 01' 12"W	107.54
C10	112.37	201.47	31°57'22"	S28° 41' 06"E	110.92
C11	36.20	141.62	14°38'41"	S37° 20' 26"E	36.10
C12	68.37	312.41	12°32'20"	S36° 17' 16"E	68.23
C13	9.55	684.07	0°48'00"	S42° 09' 26"E	9.55
C14	17.40	26.00	38°20'42"	N70° 49' 38"W	17.08
C15	52.18	139.48	21°26'10"	N45° 48' 50"W	51.88
C16	24.90	52.16	27°21'17"	N48° 46' 23"W	24.67
C17	59.68	100.00	34°11'34"	N45° 21' 15"W	58.80
C18	27.92	75.00	21°19'55"	N38° 55' 26"W	27.76
C19	89.92	200.95	25°38'22"	N36° 46' 12"W	89.18
C20	56.02	129.03	24°52'29"	N11° 30' 47"W	55.58
C21	13.67	19.04	41°08'53"	N19° 38' 58"W	13.38
C22	88.73	107.33	47°22'02"	N16° 32' 24"W	86.23
C23	25.17	99.68	14°27'55"	N0° 05' 21"W	25.10
C24	22.33	12.44	102°52'01"	N58° 45' 19"W	19.45
C25	126.93	109.54	66°23'22"	N76° 59' 38"W	119.94
C26	32.56	99.98	18°39'30"	N53° 07' 42"W	32.41
C27	45.58	162.73	16°02'54"	N54° 26' 00"W	45.43
C28	91.08	98.34	53°04'03"	N19° 52' 32"W	87.86
C29	4.32	3.28	75°25'34"	N31° 03' 17"W	4.01
C30	50.30	340.23	8°28'12"	N73° 00' 10"W	50.25
C31	51.44	124.93	23°35'29"	N65° 26' 31"W	51.08
C32	61.02	138.65	25°12'50"	N41° 02' 22"W	60.52
C33	43.52	64.31	38°46'17"	N47° 49' 05"W	42.69
C34	99.61	133.72	42°40'53"	N45° 51' 47"W	97.32
C35	61.74	273.10	12°57'12"	N30° 59' 57"W	61.61
C36	79.97	65.40	70°03'24"	N2° 26' 51"W	75.08
C37	4.17	4.35	54°54'55"	N5° 07' 24"E	4.01
C38	41.59	59.20	40°14'52"	N2° 12' 38"W	40.74
C39	6.30	12.00	30°03'44"	N2° 52' 56"E	6.22

SURVEYOR'S CERTIFICATE

I, SATTAR N. TABRIZ, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR IN THE STATE OF UTAH AND THAT I HOLD LICENSE NUMBER 155100 IN ACCORDANCE WITH TITLE 58, CHAPTER 22, OF THE PROFESSIONAL ENGINEERS AND PROFESSIONAL LAND SURVEYORS LICENSING ACT. I FURTHER CERTIFY THAT A FINAL LOCAL ENTITY PLAT, IN ACCORDANCE WITH SECTION 17-73-507, WAS MADE BY ME AND SHOWN HEREON AND IS A TRUE AND CORRECT REPRESENTATION OF SAID FINAL LOCAL ENTITY PLAT.

_____
SATTAR N. TABRIZ, PLS.
UTAH LICENSE NO.: 155100

VICINITY MAP



SHEET 1 OF 2

ACCEPTANCE BY PUBLIC INFRASTRUCTURE DISTRICT	ACCEPTANCE BY LEGISLATIVE BODY	WASATCH COUNTY SURVEYOR'S CERTIFICATE	COUNTY RECORDER
THE TAVA-HIGHLANDS PUBLIC INFRASTRUCTURE DISTRICT BOARD, APPROVES & ACCEPTS THIS FINAL LOCAL ENTITY PLAT. THIS _____ DAY OF _____, A.D. 20___. NAME / TITLE	THE CITY COUNCIL OF HEBER CITY, WASATCH COUNTY, UTAH, APPROVES THIS FINAL LOCAL ENTITY PLAT, IN ACCORDANCE WITH SECTION 17-73-507 OF THE UTAH CODE. THIS _____ DAY OF _____, A.D. 20___. MAYOR / CLERK-RECORDER	THIS OFFICE HAS REVIEWED THIS PLAT AND ACCEPTS THIS PLAT AS MEETING THE REQUIREMENTS OF UTAH CODE TITLE 17, CHAPTER 73, SECTION 507. PART 2. THIS _____ DAY OF _____, A.D. 20___. WASATCH COUNTY SURVEYOR	_____ RECORD NO. STATE OF UTAH, COUNTY OF WASATCH, RECORDED AND FILED AT THE REQUEST OF: _____ DATE _____ TIME _____ BOOK _____ PAGE _____ FEES

DRAWN BY: MM
FIELD CREW: BM
CHECKED BY: SNT
DATE: 12/09/25

CLIENT: DR HORTON
DWG: PID 1.DWG
JOB No: 3891-
DRAWING IS REDUCED IF LESS THAN 22"x34"
DIMENSIONS AND NOTES TAKE PREFERENCE OVER SCALE.

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 1
FINAL LOCAL ENTITY PLAT
LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

REVISIONS

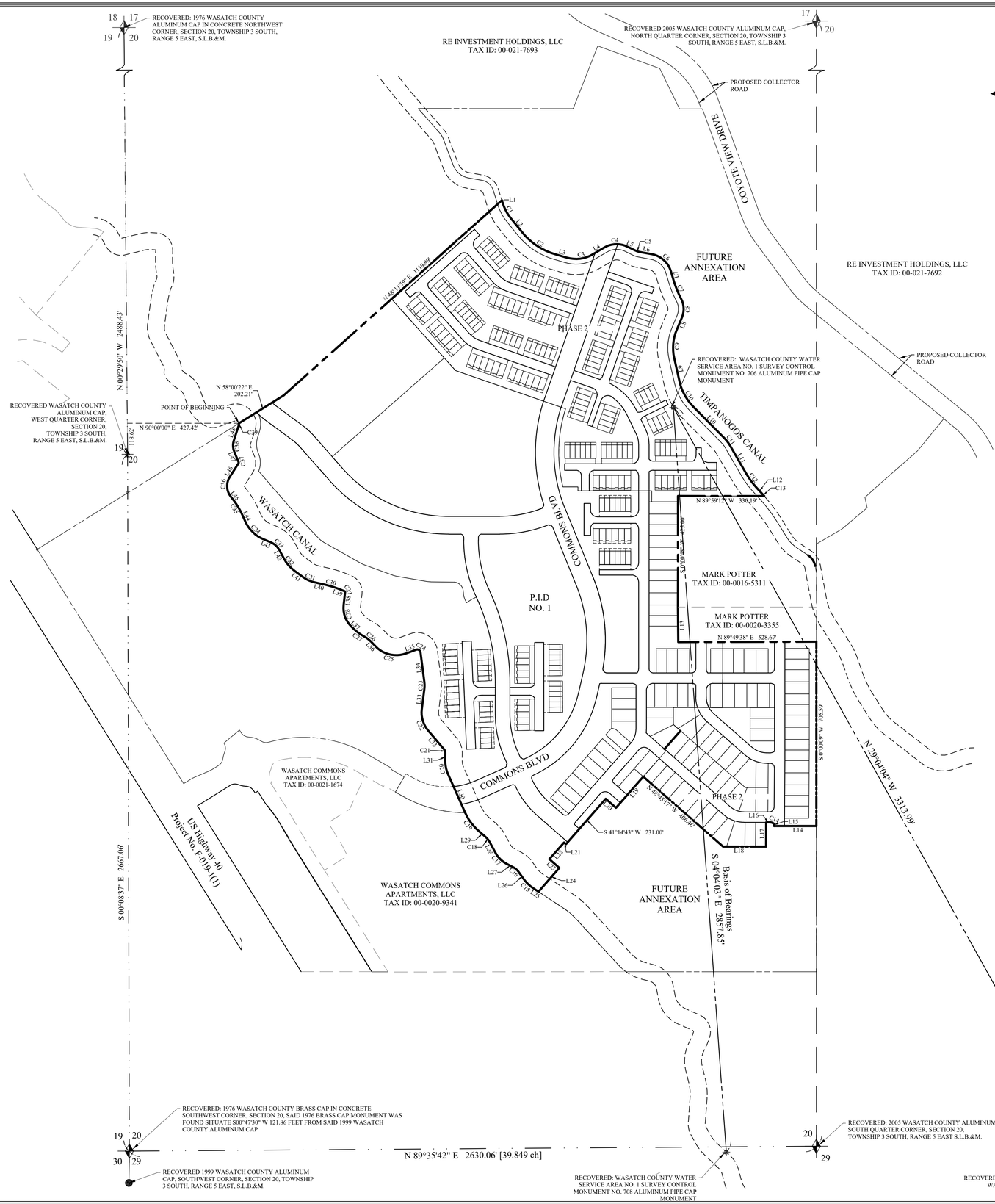
No.	DATE	BY	REVISION

Ward Engineering Group
Planning • Engineering • Surveying
Salt Lake City Office tel (801) 487-8040
231 WEST 800 SOUTH fax (801) 487-8668
Salt Lake City, Utah 84101

O:\Highlands\Survey\ACAD\PIDs\PID 1.dwg Apr 21, 2026 - 10:00am

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 1
FINAL LOCAL ENTITY PLAT

LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH



MAP LEGEND

- BOUNDARY LINE
- SECTION LINE
- QUARTER SECTION LINE
- CENTERLINE
- RIGHT OF WAY
- LOT LINE
- DEED LINE
- EASEMENT LINE
- RADIAL LINE
- MONUMENT

N
W E
S

GRAPHIC SCALE

200 0 100 200 400 600

(IN FEET)
1 inch = 200 ft.

DRAWN BY: MM
FIELD CREW: BM
CHECKED BY: SNT
DATE: 12/09/25

CLIENT: DR HORTON
DWG: PID 1.DWG
JOB No: 3891-
DRAWING IS REDUCED IF LESS THAN 22"x34"
DIMENSIONS AND NOTES TAKE PREFERENCE OVER SCALE.

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 1
FINAL LOCAL ENTITY PLAT
LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

REVISIONS

No.	DATE	BY	REVISION

Salt Lake City Office tel (801) 487-8040
231 WEST 800 SOUTH fax (801) 487-8668
Salt Lake City, Utah 84101

Ward Engineering Group
Planning • Engineering • Surveying

SHEET 2 OF 2

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TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 2
FINAL LOCAL ENTITY PLAT

LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

LEGAL DESCRIPTION

PID #2

A PARCEL OF LAND LOCATED IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT BEING SOUTH 0º08'37" EAST 488.17 FEET ALONG THE SECTION LINE AND EAST 1885.12 FEET FROM THE WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04º04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS);

AND RUNNING THENCE EAST 70.00 FEET; THENCE SOUTH 70.00 FEET; THENCE WEST 70.00 FEET; THENCE NORTH 70.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.11 ACRES.

LINE TABLE

Line Table		
Line #	Length	Direction
L1	70.00	N90° 00' 00"E
L2	70.00	S0° 00' 00"E
L3	70.00	N90° 00' 00"W
L4	70.00	N0° 00' 00"E

SURVEYOR'S CERTIFICATE

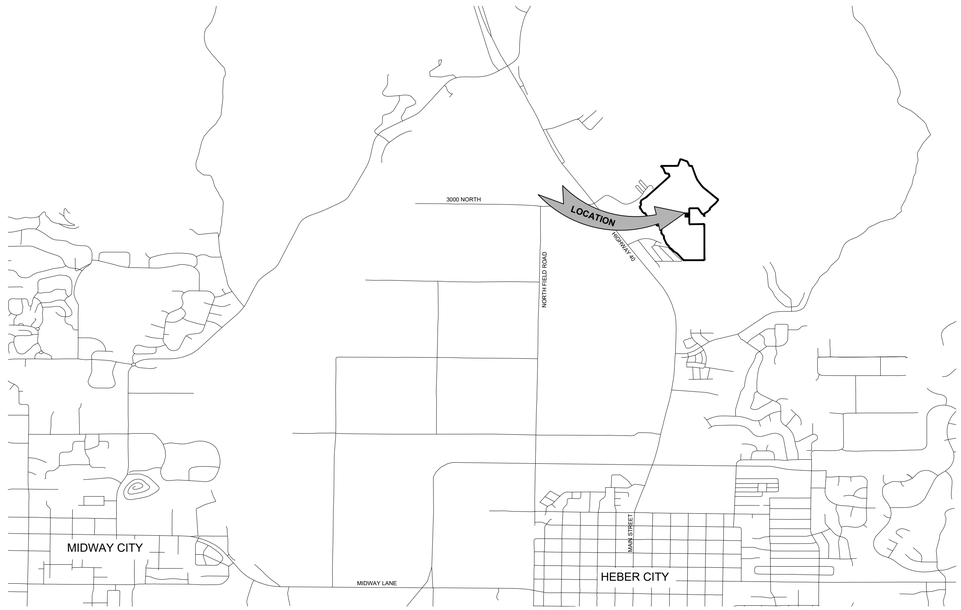
I, SATTAR N. TABRIZ, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR IN THE STATE OF UTAH AND THAT I HOLD LICENSE NUMBER 155100 IN ACCORDANCE WITH TITLE 58, CHAPTER 22, OF THE PROFESSIONAL ENGINEERS AND PROFESSIONAL LAND SURVEYORS LICENSING ACT. I FURTHER CERTIFY THAT A FINAL LOCAL ENTITY PLAT, IN ACCORDANCE WITH SECTION 17-73-507, WAS MADE BY ME AND SHOWN HEREON AND IS A TRUE AND CORRECT REPRESENTATION OF SAID FINAL LOCAL ENTITY PLAT.

_____

SATTAR N. TABRIZ, PLS.

UTAH LICENSE NO.: 155100

VICINITY MAP



N.T.S.

SHEET 1 OF 2

ACCEPTANCE BY PUBLIC INFRASTRUCTURE DISTRICT	ACCEPTANCE BY LEGISLATIVE BODY	WASATCH COUNTY SURVEYOR'S CERTIFICATE	COUNTY RECORDER
THE TAVA-HIGHLANDS PUBLIC INFRASTRUCTURE DISTRICT BOARD, APPROVES & ACCEPTS THIS FINAL LOCAL ENTITY PLAT. THIS _____ DAY OF _____, A.D. 20___. _____ NAME _____ TITLE	THE CITY COUNCIL OF HEBER CITY, WASATCH COUNTY, UTAH, APPROVES THIS FINAL LOCAL ENTITY PLAT, IN ACCORDANCE WITH SECTION 17-73-507 OF THE UTAH CODE. THIS _____ DAY OF _____, A.D. 20___. _____ MAYOR _____ CLERK-RECORDER	THIS OFFICE HAS REVIEWED THIS PLAT AND ACCEPTS THIS PLAT AS MEETING THE REQUIREMENTS OF UTAH CODE TITLE 17, CHAPTER 73, SECTION 507. PART 2. THIS _____ DAY OF _____, A.D. 20___. _____ WASATCH COUNTY SURVEYOR	_____ RECORD NO. STATE OF UTAH, COUNTY OF WASATCH, RECORDED AND FILED AT THE REQUEST OF: _____ DATE_____TIME_____BOOK_____PAGE_____ FEES

DRAWN BY: MM
FIELD CREW: BM
CHECKED BY: SNT
DATE: 12/09/25

CLIENT: DR HORTON
DWG: PID 1.DWG
JOB No: 3891-
DRAWING IS REDUCED IF LESS THAN 22"x34"
DIMENSIONS AND NOTES TAKE PRECEDENCE OVER SCALE.

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 2
FINAL LOCAL ENTITY PLAT
LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

REVISIONS

No.	DATE	BY	REVISION

Ward Engineering Group
Planning • Engineering • Surveying
Salt Lake City Office tel (801) 487-8040
231 WEST 800 SOUTH fax (801) 487-8668
Salt Lake City, Utah 84101

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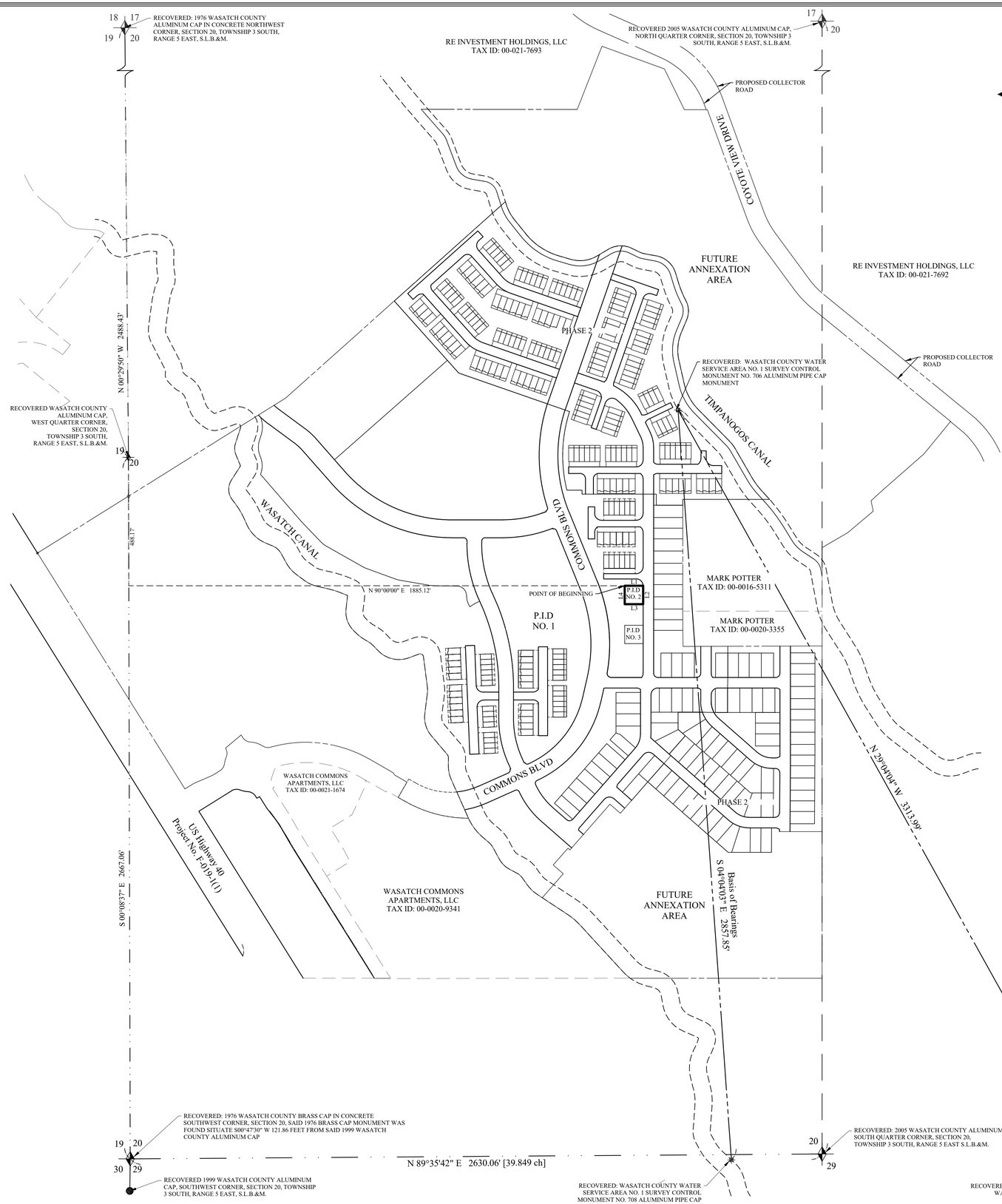
TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 2
FINAL LOCAL ENTITY PLAT

LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH



MAP LEGEND

- BOUNDARY LINE
- SECTION LINE
- QUARTER SECTION LINE
- CENTERLINE
- RIGHT OF WAY
- LOT LINE
- DEED LINE
- EASEMENT LINE
- RADIAL LINE
- MONUMENT

GRAPHIC SCALE

200 0 100 200 400 600

(IN FEET)
1 inch = 200 ft.

DRAWN BY: MM
FIELD CREW: BM
CHECKED BY: SNT
DATE: 12/09/25

CLIENT: DR HORTON
DWG: PID 1.DWG
JOB No: 3891-
DRAWING IS REDUCED IF LESS THAN 22"x34"
DIMENSIONS AND NOTES TAKE PREFERENCE OVER SCALE.

REVISIONS

No.	DATE	BY	REVISION

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 2
FINAL LOCAL ENTITY PLAT
LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

Salt Lake City Office tel (801) 487-8040
215 WEST 800 SOUTH fax (801) 487-8668
Salt Lake City, Utah 84101

Ward Engineering Group
Planning • Engineering • Surveying

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TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 3
FINAL LOCAL ENTITY PLAT

LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

LEGAL DESCRIPTION

PID #3

A PARCEL OF LAND LOCATED IN SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT BEING SOUTH 0º08'37" EAST 658.17 FEET ALONG THE SECTION LINE AND EAST 1884.69 FEET FROM THE WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04º04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS);

AND RUNNING THENCE EAST 70.00 FEET; THENCE SOUTH 70.00 FEET; THENCE WEST 70.00 FEET; THENCE NORTH 70.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 0.11 ACRES.

LINE TABLE

Line Table		
Line #	Length	Direction
L1	70.00	N90° 00' 00"E
L2	70.00	S0° 00' 00"E
L3	70.00	N90° 00' 00"W
L4	70.00	N0° 00' 00"E

SURVEYOR'S CERTIFICATE

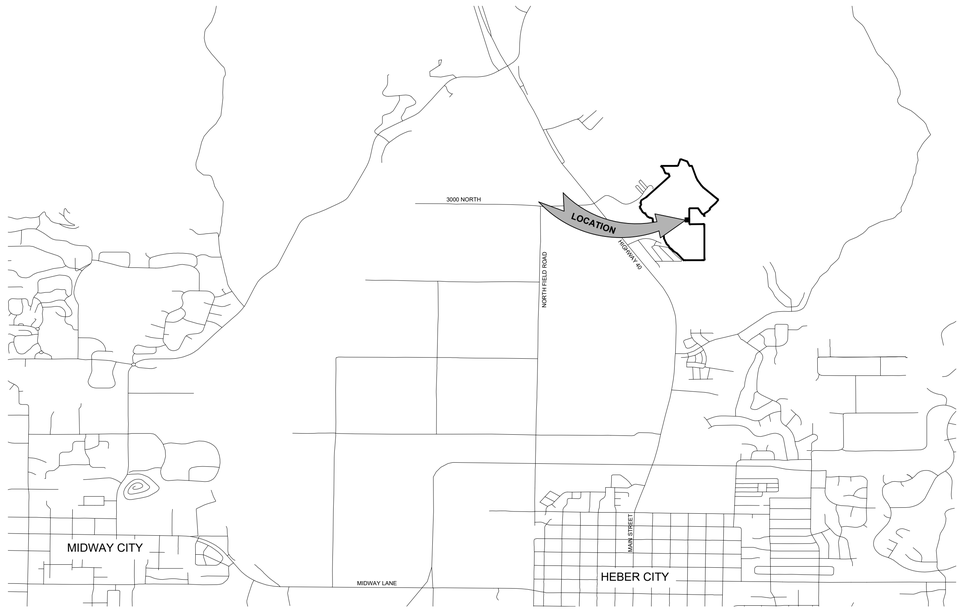
I, SATTAR N. TABRIZ, DO HEREBY CERTIFY THAT I AM A PROFESSIONAL LAND SURVEYOR IN THE STATE OF UTAH AND THAT I HOLD LICENSE NUMBER 155100 IN ACCORDANCE WITH TITLE 58, CHAPTER 22, OF THE PROFESSIONAL ENGINEERS AND PROFESSIONAL LAND SURVEYORS LICENSING ACT. I FURTHER CERTIFY THAT A FINAL LOCAL ENTITY PLAT, IN ACCORDANCE WITH SECTION 17-73-507, WAS MADE BY ME AND SHOWN HEREON AND IS A TRUE AND CORRECT REPRESENTATION OF SAID FINAL LOCAL ENTITY PLAT.

_____

SATTAR N. TABRIZ, PLS.

UTAH LICENSE NO.: 155100

VICINITY MAP



SHEET 1 OF 2

ACCEPTANCE BY PUBLIC INFRASTRUCTURE DISTRICT

THE TAVA-HIGHLANDS PUBLIC INFRASTRUCTURE DISTRICT BOARD, APPROVES & ACCEPTS THIS FINAL LOCAL ENTITY PLAT.

THIS _____ DAY OF _____, A.D. 20___.

_____ NAME

_____ TITLE

ACCEPTANCE BY LEGISLATIVE BODY

THE CITY COUNCIL OF HEBER CITY, WASATCH COUNTY, UTAH, APPROVES THIS FINAL LOCAL ENTITY PLAT, IN ACCORDANCE WITH SECTION 17-73-507 OF THE UTAH CODE.

THIS _____ DAY OF _____, A.D. 20___.

_____ MAYOR

_____ CLERK-RECORDER

WASATCH COUNTY SURVEYOR'S CERTIFICATE

THIS OFFICE HAS REVIEWED THIS PLAT AND ACCEPTS THIS PLAT AS MEETING THE REQUIREMENTS OF UTAH CODE TITLE 17, CHAPTER 73, SECTION 507. PART 2.

THIS _____ DAY OF _____, A.D. 20___.

_____ WASATCH COUNTY SURVEYOR

COUNTY RECORDER

_____ RECORD NO.

STATE OF UTAH, COUNTY OF WASATCH, RECORDED AND FILED AT THE REQUEST OF: _____

DATE_____TIME_____BOOK_____PAGE_____

FEES

DRAWN BY: MM
FIELD CREW: BM
CHECKED BY: SNT
DATE: 12/09/25

CLIENT: DR HORTON
DWG: PID 1.DWG
JOB No: 3891-
DRAWING IS REDUCED IF LESS THAN 22"x34"
DIMENSIONS AND NOTES TAKE PRECEDENCE OVER SCALE.

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 3
FINAL LOCAL ENTITY PLAT
LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

REVISIONS

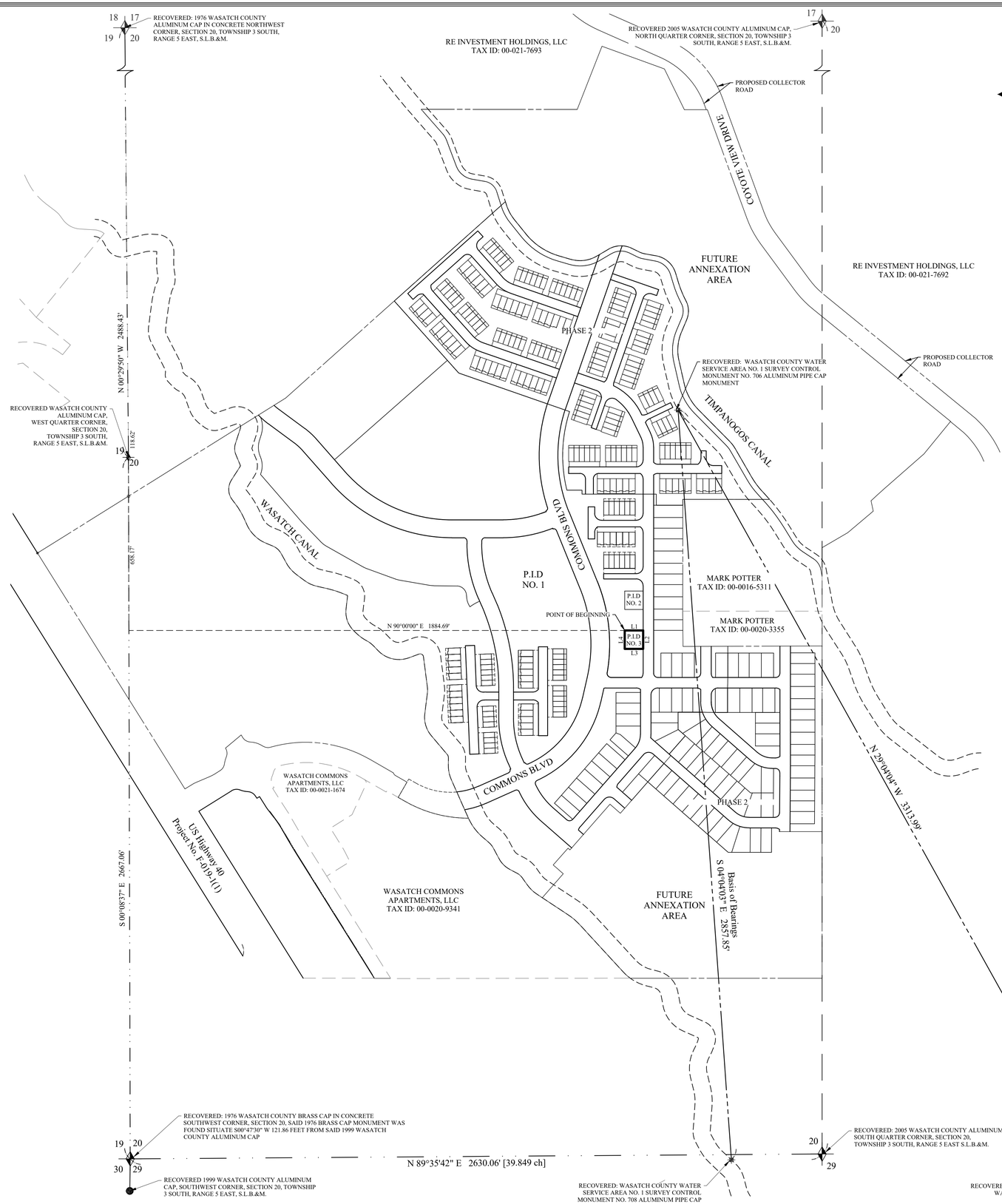
No.	DATE	BY	REVISION

Ward Engineering Group
Planning • Engineering • Surveying
Salt Lake City Office tel (801) 487-8040
231 WEST 800 SOUTH fax (801) 487-8668
Salt Lake City, Utah 84101

O:\Highlands Survey\ACAD\PIDs\PID 3.dwg Apr 21, 2026 - 10:04am

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 3
FINAL LOCAL ENTITY PLAT

LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH



MAP LEGEND

- BOUNDARY LINE
- SECTION LINE
- QUARTER SECTION LINE
- CENTERLINE
- RIGHT OF WAY
- LOT LINE
- DEED LINE
- EASEMENT LINE
- RADIAL LINE
- MONUMENT

GRAPHIC SCALE

200 0 100 200 400 600

(IN FEET)
1 inch = 200 ft.

SHEET 2 OF 2

DRAWN BY: MM
FIELD CREW: BM
CHECKED BY: SNT
DATE: 12/09/25

CLIENT: DR HORTON
DWG: PID 1.DWG
JOB No: 3891-
DRAWING IS REDUCED IF LESS THAN 22"x34"
DIMENSIONS AND NOTES TAKE PREFERENCE OVER SCALE.

REVISIONS

No.	DATE	BY	REVISION

Ward Engineering Group
Planning • Engineering • Surveying
Salt Lake City Office tel (801) 487-8040
231 WEST 800 SOUTH fax (801) 487-8668
Salt Lake City, Utah 84101

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NO. 3
FINAL LOCAL ENTITY PLAT
LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

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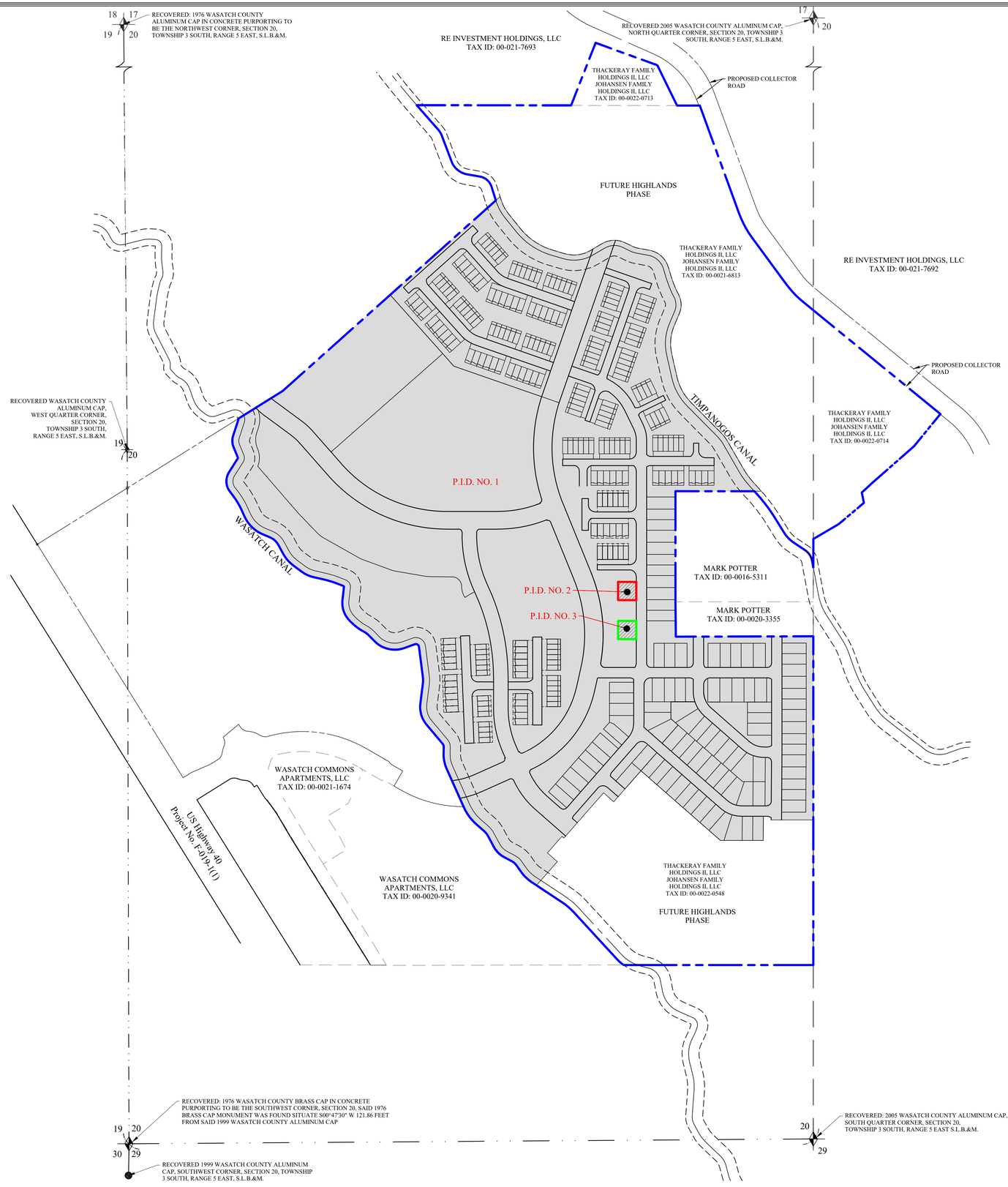
TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-3
ANNEXATION AREA

LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH



MAP LEGEND

- OVERALL HIGHLANDS ANNEXATION BOUNDARY
- P.I.D. NO. 1
- P.I.D. NO. 2
- P.I.D. NO. 3
- SECTION LINE
- QUARTER SECTION LINE
- CENTERLINE
- RIGHT OF WAY
- LOT LINE
- MONUMENT

N W E S

GRAPHIC SCALE

200 0 100 200 400 600

(IN FEET)
1 inch = 200 ft.

SHEET 1 OF 1

DRAWN BY: MM
FIELD CREW: BM
CHECKED BY: SNT
DATE: 01/23/24

CLIENT: DR HORTON
DWG: SURVEY BASE
JOB No: 3891-
DRAWING IS REDUCED IF LESS THAN 22"x34"
DIMENSIONS AND NOTES TAKE PRECEDENCE OVER SCALE.

TAVA-HIGHLANDS
PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-3
ANNEXATION AREA
LOCATED WITHIN SECTION 20,
TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN
HEBER CITY, WASATCH COUNTY, UTAH

REVISIONS

No.	DATE	BY	REVISION

Ward Engineering Group
Planning • Engineering • Surveying
Salt Lake City Office tel (801) 487-8040
231 WEST 800 SOUTH fax (801) 487-8668
Salt Lake City, Utah 84101

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EXHIBIT D

Disclosure Notice

NOTICE: This Development is located within the Tava-Highlands Public Infrastructure District Nos. 1-3.

The Districts are authorized to impose a property tax of 0.005 per dollar of taxable value.

Under the maximum property tax rate of the Districts, for every $100,000 of taxable value, there would be an additional annual property tax of $500 for the duration of the Districts' Bonds.

March 26, 2026
City Manager Matt Brower
75 N. Main Street
Heber City, Utah 84032

(*With a copy to*)
City Recorder Trina Cooke
75 N. Main Street
Heber City, Utah 84032

Re: Letter of Intent to Create Tava-Highlands Public Infrastructure District Nos. 1-3 to Facilitate Construction of the Proposed Highlands Residential Development

To Whom it May Concern:

Forestar (USA) Real Estate Group Inc., a Delaware corporation authorized to transact business in the State of Utah (the "**Applicant**"), submits this letter of intent ("**LOI**") to Heber City, Utah (the "**City**") requesting the approval of Tava Highlands Public Infrastructure District Nos. 1-3 pursuant to Title 17B, Utah Code (the "**District Act**") and Title 17D, Chapter 4, Utah Code (the "**Public Infrastructure District Act**"), as amended from time to time and any successor statute thereto (collectively, the "**Acts**"). Specifically, the Applicant is requesting that City staff, including the District Advisory Committee ("**DAC**") return a positive recommendation to the Applicant regarding the creation of the Districts, as proposed herein. Upon receiving a positive recommendation from the DAC, the Applicant will proceed with preparation of a governing document in accordance with the Acts and the recommendations of the City.

The Applicant is submitting this LOI with the following understanding:

- This LOI represents an initial step in the creation of Tava Highlands Public Infrastructure District Nos. 1-3 (the "**Districts**"), and that a positive recommendation from the DAC to this letter represents an option for the Applicant to submit a governing document that presents information regarding the Districts' formation and operation in greater detail.

- A positive recommendation to move forward with a governing document does not represent a commitment by the City to approve the eventual formation of the Districts.

- That the City and the Applicant will consider this process as iterative and will work towards a solution that meets the City's and the Applicant's needs.

OVERVIEW

The Applicant is requesting the creation of three Districts to cover the entirety of the Highlands Residential Development (the "**Development**"). The Districts would provide important financing for Public Infrastructure within the Development which may include roadways, curbs, gutters, sidewalks, streetlights, and traffic control devices, including regulatory, warning, and street name signage, water and sewer improvements, storm drainage and other Public Infrastructure necessary for the Development. The estimated costs of the Public Infrastructure to serve the Development are approximately $29,100,000. "**Public Infrastructure**" 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 Acts to serve the future property owners and inhabitants of the Districts as determined by the Board, and includes Public Infrastructure and Improvements as defined in the Acts.

BENEFITS OF DISTRICT TO THE DEVELOPMENT

The Districts will allow for more efficient financing than otherwise available to provide for Public Infrastructure that will serve the Development. Public infrastructure costs have significantly increased in past years due to current macroeconomic conditions, thereby resulting in development costs that impact the overall feasibility of the Development. Accordingly, the use of the Districts will help ensure that the financing of the Development will be as viable and efficient as possible. The Districts help alleviate certain financing constraints and thereby promote timely development within the City which brings additional employment opportunities and property and sales tax benefits.

The Development directly advances the public benefit priorities of Heber City's "Envision Heber 2050" Comprehensive Plan by creating a master-planned community that offers a diverse mix of residential product types and price points — providing attainable housing options for working families, educators, and public employees increasingly priced out of the Heber Valley market. The Development supports the City's goals of encouraging housing variety for residents at or near the area median income, and provides both "for sale" and "for rent" options through the inclusion of DHI Communities-owned Stacked Flat units. Sustainable design features include phased infrastructure construction aligned with market absorption, interconnected storm drainage and retention systems, pressurized irrigation, dedicated open spaces and parkland to be dedicated to Heber City. The Districts are essential to delivering these public benefits — without the PID financing tool, the Development's scope and timeline would be materially constrained, delaying infrastructure and amenities that serve the City's long-term growth and livability objectives.

Overview of PID Financing Tool

The Applicant proposes three districts to allow phased development and financing of infrastructure improvements, to separate tax and assessment obligations associated with different portions of the Development, and to provide flexibility in the issuance of bonds.

It is the Applicant's understanding that the formation and use of the Districts is in accord with the following key components:

- That the City has the approving powers for the Districts and will work with the Applicant to ensure an appropriate use of funds and debt limit that is compatible with approved development plans.
- That the purpose of the Districts is to provide for the Public Infrastructure and amenities necessary to support the Development.
- That the Districts are being considered to bridge a funding gap that would otherwise delay or reduce the scope of the Development.
- That a proposed mill levy only affects property within the boundaries of the Districts and that all property owners must approve the formation of Districts.
- That issuance of debt by the Districts does not create any financial liability or obligation for the City.

The Applicant's request is for a positive recommendation from the DAC to prepare a governing document for the formation of the Districts in the area shown in the attached map. The Districts request a maximum mill levy of $0.005 per dollar of taxable value of taxable property in the Districts. This amount excludes any portion of bonds issued to refund a prior issuance of debt by the Districts. Any assessment debt or C-PACE bonds do not count against this 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 applicable statutory provisions. The following paragraphs summarize the proposed uses and needs of funds.

COMPLIANCE WITH THE CITY'S POLICY

The Applicant acknowledges that the City has adopted a PID Policy Statement that sets forth the requirements for this LOI. Specifically, the PID Policy Statement establishes the required contents for an LOI. This section addresses each of those requirements in turn.

1. **Description of the Proposed Districts:** The proposed Districts shall be as follows:
    a. *Size:* Each District contains approximately 0.11 acres for the District's initial boundaries ("**Initial Boundaries**"). Together, the entire project area includes approximately 116.26 acres, including the three original PID areas together with the Annexation Area (as defined in the Petition). The map and legal descriptions of the Initial Boundaries are included in the Petition submitted to the City with this LOI.

    b. *Location of the Districts:* See site map attached hereto as **Exhibit A**. Including Wasatch County Parcel Nos. 00-0022-0544, 00-0022-0545, 00-0022-0546, 00-0022-0547, 00-0022-2500, 00-0022-2501, 00-0072-0713, 00-0022-0714.

    c. *Area Context of the Districts:* Undeveloped land to the northeast of Utah Highway 189 (Victory Hwy), approximately 12 miles north of downtown Heber City, Utah. The property is located adjacent to Utah Valley University Wasatch Campus on the

North, Wasatch Canal to the west, and the Wasatch Commons Apartment complex to the South. See site map attached hereto as **Exhibit A**.

d. *Development History*: The property within the Districts has historically been undeveloped land.

e. *Proposed Development within the Districts:* Upon full completion of four phases, the Development is intended to include approximately 576 residential units within the Districts, including attached and detached single-family styles. An additional 235 Stacked Flat units will be situated within the overall development boundaries but are not included within the Districts, bringing the total development to approximately 811 units.

2. Description of Land Uses and Development Phasing

a. *General Distribution of Land Uses and Densities:* Phase 1 is intended to include approximately 48.71 acres, including 191.39 total units (expressed in Equivalent Residential Units). Phase 2 is intended to include approximately 26.78 acres including 182.50 total units. Phase 3 is intended to include approximately 12.07 acres, including 69.75 units. Phase 4 is intended to include approximately 28.70 acres, including 135.50 units. For additional information, please see figures below.

b. *Phasing of Development:* The Districts will be constructed in four phases as shown below.

Residential Unit Type	Phase 1 Units	Phase 2 Units	Phase 3 Units	Phase 4 Units	Total Units
Alta Lots	21	28	19	44	112
Cottage Lots	15	29	15	34	93
Stacked Flats	235	0	0	0	235
Tohnhomes - Oliver	26	41	0	10	77
Townhomes - Millbrook	28	55	0	78	161
Townhomes - Dalton	12	67	54	0	133
Phase Total Units	**337**	**220**	**88**	**166**	**811**

Residential Unit Type	ERU RATE	Phase 1 ERUs	Phase 2 ERUs	Phase 3 ERUs	Phase 4 ERUs	Total ERUs
Alta Lots	0.75	15.75	21.00	14.25	33.00	84.00
Cottage Lots	1.00	15.00	29.00	15.00	34.00	93.00
Stacked Flats	VARIES	104.64	0.00	0.00	0.00	104.64
Tohnhomes - Oliver	1.00	26.00	41.00	0.00	10.00	77.00
Townhomes - Millbrook	0.75	21.00	41.25	0.00	58.50	120.75
Townhomes - Dalton	0.75	9.00	50.25	40.50	0.00	99.75
Phase Total Units	1.00	**191.39**	**182.50**	**69.75**	**135.50**	**579.14**

3. Summary of Needed Infrastructure, Services and Facilities:

a. *Currently expected development scenarios - with and without the proposed Districts:*

   i. With the proposed Districts - Utilizing the Districts will enable the Development to be constructed and absorbed within a timely manner. The City and the Developer entered into one or more development agreement(s) regarding the phasing, type, number, and intensity of uses within the boundaries. By doing so, the City and the Developer are working together to create a mutually beneficial project for all stakeholders including the City, the residents, taxpayers, and property owners within the Districts.

   ii. Without the proposed Districts - Due to current market conditions and lender constraints, the Development is unlikely to be fully completed or may not be completed within a timely manner without the formation and use of the Districts.

b. *Required local and regional infrastructure and facilities for the Development:* The funding will support excavation and the installation of underground utilities, including water, sewer, electrical, and fire protection systems. It will also provide for access improvements related to ingress and egress, as well as overall site development.

c. *Regional and local infrastructure the Districts are to provide:* The Applicant is requesting that the Districts be permitted to fund the required local and regional Public Infrastructure necessary to support the Development.

d. *Estimated construction costs for the proposed public improvements within the Districts:* The estimated costs for the Public Infrastructure benefiting the Development are currently projected to be approximately $29,100,000.

e. *General description of phasing of construction based on development projections*: The Development is planned across four phases totaling approximately 116.26 acres, with infrastructure construction having commenced in September 2024 and full buildout anticipated by Spring 2028. Phase 1 (48.71 acres, 337 units) is the largest phase and establishes primary access via Commons Boulevard and US Highway 40, with vertical construction commencing March 2026. Phases 2 (26.78 acres, 220 units), 3 (12.07 acres, 88 units), and 4 (28.70 acres, 166 units) follow sequentially, expanding the development northward across the site. Bond proceeds will be drawn on a reimbursement basis upon completion of each phase as infrastructure is dedicated to the appropriate local governmental entity.

4. Financial Plan Information

a. *An example plan of finance:* It is anticipated that the Districts will issue limited tax bonds with a target mill levy of $0.005 per dollar of taxable value of taxable

property in the Districts. The District may also issue special assessment bonds with a pledge to special assessments to service the debt. Additional details regarding the potential issuance of limited tax bonds and assessment bonds, including an indicative sources and uses of funds analysis prepared by Wells Fargo Securities, can be found at **Exhibit B**.

b. *Anticipated maximum mill levy required to pay the debt service of the Districts:* It is anticipated that any limited tax bonds issued from a residential district will be serviced by a debt service mill levy of $0.005 per dollar of taxable value of taxable property in the Districts.

c. *An analysis of the proposed mill levy in light of outstanding debt and mill levies of other taxing entities affecting the area:* Below are example tax rates imposed by the taxing entities within both a residential district and a commercial district.

Mill Levies of Other Entities in Heber Area

	2024 Final Adopted Rate
Wasatch County	0.001134
Multicounty Assessing & Collecting Levy	0.000015
County Assessing & Collecting Levy	0.000110
Wasatch County School District	0.006255
Heber City	0.000771
Wasatch County Fire Protecting Special Service District	0.000158
Wasatch County Special Service District No. 21	0.000413
Central Utah Water Conservancy District	0.000400
Total Tax Rate	**0.009256**
Proposed Tava-Highlands PID Mill Levy	0.005000
Proposed Total New Tax Rate	**0.014256**

d. *Comparison of the mill levies of similar taxing entities in the area:* A comparison of mill levies approved for similar taxing entities in the area is provided below.

i. Harvest Village PID – 0.005 mills
ii. Jordanelle Ridge PID – 0.005 mills
iii. Black Rock Mt. Resort PID – 0.010 mills

iv. Wakara Ridge PID – 0.001 mills
v. DV Snow Park PID Nos. 1-3 – up to 0.015 mills
vi. MIDA Cormont PID – 0.020 mills

e. *Proposed operating budget for the Districts for the first years of existence:* It is anticipated that the Districts will adopt the below budget within their General Fund and these will be the primary expenditures in the years prior to a bond issuance. Upon issue of bonds, the Districts will establish a Debt Service Fund for payment of debt and a Capital Fund for expenditures related to Public Infrastructure. Property taxes will serve as the revenue source within the Debt Service Fund and expenditures in that fund will be to service any outstanding debt. Bond proceeds will serve as the revenue source for the Capital Fund and expenditures will relate to directly paying for Public Infrastructure and reimbursing the developer for costs it incurs to construct Public Infrastructure.

	2025 Tentative Budget
Revenues	
Developer Advances	$ 50,000
Total Revenues	**$ 50,000**
Expenditures	
Accounting and Finance	$ 15,000
Audit	10,000
Insurance	5,000
Legal/District Management	20,000
Total Expenditures	**$ 50,000**
Revenues Over/(Under) Expenditures	**$ -**
Beginning Fund Balance	**$ -**
Ending Fund Balance	**$ -**
TOTAL EXPENDITURES REQUIRING APPROPRIATION	**$ 50,000**

f. *A plan of ownership and/or maintenance of the proposed improvements that will be financed by the Districts:* It is anticipated that Public Infrastructure will be dedicated to the appropriate local governmental entity, which may include the City. The Districts may own certain Public Infrastructure but without operations and maintenance powers, they would need to contract with another entity to handle ongoing operations and maintenance.

g. *Any other forms of public financing and assistance being sought, including assessment areas:* As mentioned above, the Districts are seeking the ability to issue assessment bonds which would be repaid through a pledge of special assessment revenue. This debt would not be subject to the debt limit established in the Governing Document and has been utilized in other PIDs within Utah.

5. Proposed Timeline for Creation of the Districts

LOI & Petition Submission	Week of March 30- April 3, 2026
DAC Review	Week of April 6-10, 2026
Governing Document Submission	April 10, 2026
City Council Work Meeting	April 21, 2026
Public Hearing	May 5, 2026

6. Consent by All Property Owners and Registered Voters

The Applicant acknowledges that each property owner and registered voter located within the boundaries of the proposed Districts must consent to the creation of the Districts prior to the hearing date for the governing document. Accordingly, the proposed boundaries of the Districts as set forth in this LOI, including the proposed annexation area, may be expanded/reduced to reflect those owners and registered voters that have signed such consent prior to the public hearings.

7. Disclosure of any Conflicts of Interest

The Applicant is not aware of any conflicts of interest involving the City or its officers and employees.

8. Signed Engagement Letters

The Applicant has engaged its own legal counsel and technical/financial consultants in the preparation of this LOI and other items related to the Districts. The Applicant also understands that the City may require review of this LOI and the governing document through third parties. Accordingly, the Applicant agrees to pay for the City's costs in having such documents, related to this LOI and the Districts, reviewed by third parties.

Applicant

Justine Klunke

Forestar (USA) Real Estate Group Inc.,
a Delaware corporation authorized to
transact business in the State of Utah

By Justine Klunke

Its Vice President

EXHIBIT A
(Vicinity Map of Districts)

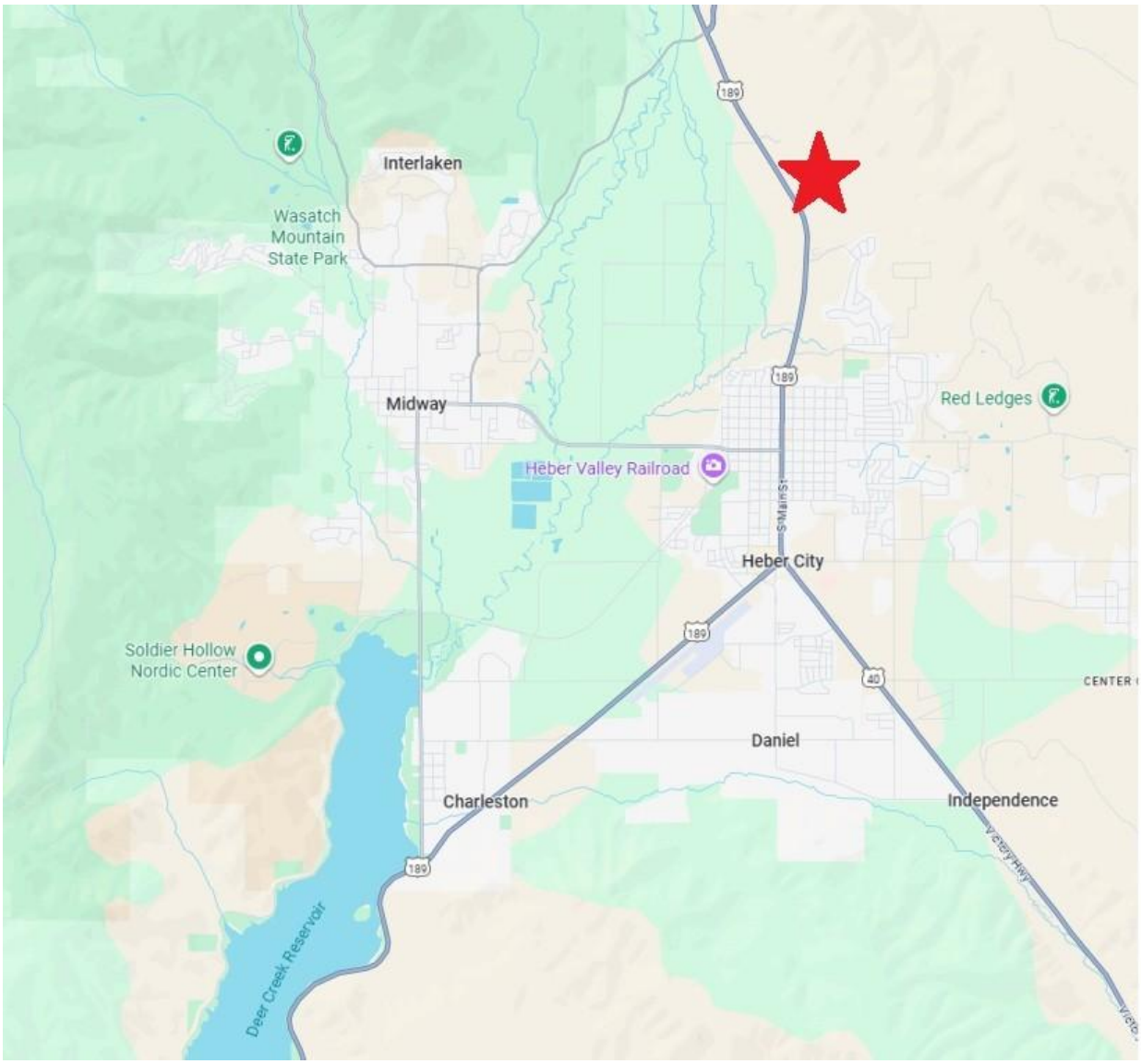

EXHIBIT B
(Financing Plan)

Indicative Financing Results

	PID Bonds New Money Series 2026A-1 & B	Assessment Bonds New Money Series 2026A-2	Aggregate 2026	PID Bonds New Money + Refunding Series 2031	Aggregate
Bond Assumptions					
Issuance Date	4/1/2026	4/1/2026	4/1/2026	9/2/2031	
First Call Date	12/1/2031	12/1/2031	12/1/2031	12/1/2036	
Final Maturity	12/15/2055	12/15/2055	12/15/2055	12/15/2061	
Discharge Date	12/15/2065	12/15/2065	12/15/2065	12/15/2071	
Sources of Funds					
Senior Par Amount	$13,150,000	$33,390,000	$46,540,000	$17,430,000	$63,970,000
Subordinate Par Amount	$1,875,000	$0	$1,875,000	$3,050,000	$4,925,000
Premium / Discount	$0	$0	$0	$0	$0
Funds on Hand	$0	$0	$0	$1,609,953	$1,609,953
Total Sources of Funds	$15,025,000	$33,390,000	$48,415,000	$22,089,953	$70,504,953
Uses of Funds					
New Money Proceeds	$11,293,404	$27,452,344	$38,745,748	$5,028,752	$43,774,500
Refunding Escrow	$0	$0	$0	$16,378,346	$16,378,346
Capitalized Interest	$2,268,375	$1,752,975	$4,021,350	$0	$4,021,350
Debt Service Reserve Fund	$1,073,302	$3,339,000	$4,412,302	$0	$4,412,302
Costs of Issuance	$155,169	$344,831	$500,000	$300,000	$800,000
Underwriter's Discount	$234,750	$500,850	$735,600	$382,855	$1,118,455
Total Uses of Funds	$15,025,000	$33,390,000	$48,415,000	$22,089,953	$70,504,953
Debt Features					
Senior Debt Service Coverage	1.25x	N/A		1.25x	
Tax Status	Tax-Exempt	Tax-Exempt		Tax-Exempt	
Bond Rating	Non-Rated	Non-Rated		Rated	
Senior Interest Rate (Coupon)	5.75%	5.25%		4.00%	
Subordinate Interest Rate (Coupon)	8.00%	N/A		7.50%	
Annual Reassessment Assumption	1.00%	N/A		1.00%	
Tax Assumptions					
Public Infrastructure District Revenues					
Phases of Development Included					Phases 1, 2, 3 & 4
Mill Levies (Unadjusted)					
Debt Service					5.00 Mills
Regional					N/A
O&M					N/A
Treasurer Fee					1.50%
Assessment Bond Assumptions					
Market Value of Vertical Development (No Growth)					$400,656,600
Assumed As-Built Horizontal Development Ratio					25.000%
Estimated As-Built Horizontal Developed Land					$100,164,150
Leverage Ratio					3:1
Assessment Bond Capacity (Round to $5,000 increments)					$33,390,000

Coverage Analysis

		Series 2026 Senior Bonds					
Year	Revenues Available for Senior	2026 Bonds	Prior Debt	CapI	DSRF	Net Debt Service	Coverage at Modeled Mills
2025	-	-	-	-		-	
2026	-	504,083	-	504,083	17,888	(17,888)	
2027	25,350	756,125	-	756,125	26,833	(26,833)	
2028	240,379	756,125	-	756,125	26,833	(26,833)	
2029	605,696	756,125	-	252,042	26,833	477,251	1.27
2030	900,717	756,125	-		26,833	729,292	1.24
2031	1,088,985	896,125	-		26,833	869,292	1.25
2032	1,099,945	908,075	-		26,833	881,242	1.25
2033	1,111,015	913,875	-		26,833	887,042	1.25
2034	1,122,195	923,813	-		26,833	896,980	1.25
2035	1,133,487	932,600	-		26,833	905,767	1.25
2036	1,144,891	945,238	-		26,833	918,405	1.25
2037	1,156,410	951,438	-		26,833	924,605	1.25
2038	1,168,045	961,488	-		26,833	934,655	1.25
2039	1,179,795	970,100	-		26,833	943,267	1.25
2040	1,191,663	982,275	-		26,833	955,442	1.25
2041	1,203,650	992,725	-		26,833	965,892	1.25
2042	1,215,756	1,001,450	-		26,833	974,617	1.25
2043	1,227,984	1,008,450	-		26,833	981,617	1.25
2044	1,240,333	1,018,725	-		26,833	991,892	1.25
2045	1,252,807	1,026,988	-		26,833	1,000,155	1.25
2046	1,265,405	1,038,238	-		26,833	1,011,405	1.25
2047	1,278,129	1,047,188	-		26,833	1,020,355	1.25
2048	1,290,980	1,058,838	-		26,833	1,032,005	1.25
2049	1,303,960	1,067,900	-		26,833	1,041,067	1.25
2050	1,317,070	1,079,375	-		26,833	1,052,542	1.25
2051	1,330,310	1,092,975	-		26,833	1,066,142	1.25
2052	1,343,683	1,103,413	-		26,833	1,076,580	1.25
2053	1,357,190	1,110,688	-		26,833	1,083,855	1.25
2054	1,370,832	1,124,800	-		26,833	1,097,967	1.25
2055	1,384,610	2,210,175	-		1,100,135	1,110,040	1.25
2056	1,398,527	-				-	
2057	1,412,582	-				-	
2058	1,426,778	-				-	
2059	1,441,115	-				-	
2060	1,455,597	-				-	
2061	1,470,223	-				-	
2062	1,484,995	-				-	
2063	1,499,915	-				-	
2064	1,514,984	-				-	
2065	1,530,204	-				-	
2066	1,545,576	-				-	
2067	1,561,101	-				-	
2068	1,576,782	-				-	
2069	1,592,620	-				-	
2070	1,608,617	-				-	
2071	1,624,773	-				-	
Total	**56,681,658**	**29,895,533**		**0**	**2,268,375**	**1,869,334**	**25,757,824**	

Coverage Analysis

		Series 2031 Senior Bonds				
Year	Revenues Available for Senior	2031 Bonds	Prior Debt Service	DSRF	Total DS	Coverage at Modeled Mills
2025	-				-	
2026	-				-	
2027	25,350				-	
2028	240,379	-			-	
2029	605,696	-			-	
2030	900,717	-		-	-	
2031	1,088,985	497,363	378,063	-	875,426	1.24
2032	1,099,945	879,200		-	879,200	1.25
2033	1,111,015	886,400		-	886,400	1.25
2034	1,122,195	893,000		-	893,000	1.26
2035	1,133,487	904,000		-	904,000	1.25
2036	1,144,891	914,200		-	914,200	1.25
2037	1,156,410	923,600		-	923,600	1.25
2038	1,168,045	932,200		-	932,200	1.25
2039	1,179,795	940,000		-	940,000	1.26
2040	1,191,663	952,000		-	952,000	1.25
2041	1,203,650	958,000		-	958,000	1.26
2042	1,215,756	968,200		-	968,200	1.26
2043	1,227,984	977,400		-	977,400	1.26
2044	1,240,333	990,600		-	990,600	1.25
2045	1,252,807	997,600		-	997,600	1.26
2046	1,265,405	1,008,600		-	1,008,600	1.25
2047	1,278,129	1,018,400		-	1,018,400	1.26
2048	1,290,980	1,032,000		-	1,032,000	1.25
2049	1,303,960	1,039,200		-	1,039,200	1.25
2050	1,317,070	1,050,200		-	1,050,200	1.25
2051	1,330,310	1,059,800		-	1,059,800	1.26
2052	1,343,683	1,073,000		-	1,073,000	1.25
2053	1,357,190	1,084,600		-	1,084,600	1.25
2054	1,370,832	1,094,600		-	1,094,600	1.25
2055	1,384,610	1,103,000		-	1,103,000	1.26
2056	1,398,527	1,114,800		-	1,114,800	1.25
2057	1,412,582	1,129,800		-	1,129,800	1.25
2058	1,426,778	1,137,800		-	1,137,800	1.25
2059	1,441,115	1,149,000		-	1,149,000	1.25
2060	1,455,597	1,163,200		-	1,163,200	1.25
2061	1,470,223	1,175,200			1,175,200	1.25
2062	1,484,995	-			-	
2063	1,499,915	-			-	
2064	1,514,984	-			-	
2065	1,530,204	-			-	
2066	1,545,576	-			-	
2067	1,561,101	-			-	
2068	1,576,782	-			-	
2069	1,592,620	-			-	
2070	1,608,617	-			-	
2071	1,624,773	-			-	
Total	**56,681,658**	**31,046,963**	**378,063**	**0**	**31,425,026**	

Surplus Analysis - 2026

Year	Revenues Available for Debt Service	Senior & Sub DS	Surplus	Surplus Release	Cumulative Surplus	Interest on Surplus
2025	-	-	-	0	-	-
2026	-	(17,888)	17,888	0	17,888	-
2027	25,350	(26,833)	52,183	0	70,071	-
2028	240,379	(26,833)	267,211	0	337,283	-
2029	605,696	477,251	128,445	0	465,728	-
2030	900,717	729,292	171,424	100,501	536,651	-
2031	1,088,985	869,292	219,693	219,693	536,651	-
2032	1,099,945	881,242	218,703	218,703	536,651	-
2033	1,111,015	887,042	223,972	223,972	536,651	-
2034	1,122,195	896,980	225,215	225,215	536,651	-
2035	1,133,487	905,767	227,719	227,719	536,651	-
2036	1,144,891	918,405	226,487	226,487	536,651	-
2037	1,156,410	924,605	231,805	231,805	536,651	-
2038	1,168,045	934,655	233,390	233,390	536,651	-
2039	1,179,795	943,267	236,528	236,528	536,651	-
2040	1,191,663	955,442	236,220	236,220	536,651	-
2041	1,203,650	965,892	237,757	237,757	536,651	-
2042	1,215,756	974,617	241,139	241,139	536,651	-
2043	1,227,984	981,617	246,366	246,366	536,651	-
2044	1,240,333	991,892	248,441	248,441	536,651	-
2045	1,252,807	1,000,155	252,652	252,652	536,651	-
2046	1,265,405	1,011,405	254,000	254,000	536,651	-
2047	1,278,129	1,020,355	257,774	257,774	536,651	-
2048	1,290,980	1,032,005	258,975	258,975	536,651	-
2049	1,303,960	1,041,067	262,893	262,893	536,651	-
2050	1,317,070	1,052,542	264,527	264,527	536,651	-
2051	1,330,310	1,066,142	264,168	264,168	536,651	-
2052	1,343,683	1,076,580	267,103	267,103	536,651	-
2053	1,357,190	1,083,855	273,335	273,335	536,651	-
2054	1,370,832	1,097,967	272,865	272,865	536,651	-
2055	1,384,610	1,110,040	274,570	274,570	536,651	-
2056	1,398,527	-	1,398,527	1,398,527		-
2057	1,412,582	-	1,412,582	1,412,582		-
2058	1,426,778	-	1,426,778	1,426,778		-
2059	1,441,115	-	1,441,115	1,441,115		-
2060	1,455,597	-	1,455,597	1,455,597		-
2061	1,470,223	-	1,470,223	1,470,223		-
2062	1,484,995	-	1,484,995	1,484,995		-
2063	1,499,915	-	1,499,915	1,499,915		-
2064	1,514,984	-	1,514,984	1,514,984		-
2065	1,530,204	-	1,530,204	1,530,204		-
2066	1,545,576	-	1,545,576	1,545,576		-
2067	1,561,101	-	1,561,101	1,561,101		-
2068	1,576,782	-	1,576,782	1,576,782		-
2069	1,592,620	-	1,592,620	1,592,620		-
2070	1,608,617	-	1,608,617	1,608,617		-
2071	1,624,773	-	1,624,773	1,624,773		-
	56,681,658	**25,757,824**	**30,923,834**	**30,401,183**	**14,829,896**	**0**

WELLS FARGO | Corporate & Investment Banking

Projected Subordinate Cash Flow - 2025

Year	Available for Subordinate Debt Service	Subordinate Interest	Less Payments Toward Sub Bond Interest	Interest on Accrued Balance	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Available Revenue for Sub Principal	Less Payments Toward Bond Principal	Balance of Subordinated Bond Principal	Surplus Cash Flow to District	Total Payments
2025											
2026	0	100,000	0	0	0	100,000	0	0	1,875,000	0	0
2027	0	150,000	0	8,000	0	258,000	0	0	1,875,000	0	0
2028	0	150,000	0	20,640	0	428,640	0	0	1,875,000	0	0
2029	0	150,000	0	34,291	0	612,931	0	0	1,875,000	0	0
2030	100,501	150,000	100,501	49,034	0	711,464	0	0	1,875,000	0	100,501
2031	219,693	150,000	150,000	56,917	69,693	698,689	0	0	1,875,000	0	219,693
2032	218,703	150,000	150,000	55,895	68,703	685,881	0	0	1,875,000	0	218,703
2033	223,972	150,000	150,000	54,870	73,972	666,780	0	0	1,875,000	0	223,972
2034	225,215	150,000	150,000	53,342	75,215	644,907	0	0	1,875,000	0	225,215
2035	227,719	150,000	150,000	51,593	77,719	618,781	0	0	1,875,000	0	227,719
2036	226,487	150,000	150,000	49,502	76,487	591,796	0	0	1,875,000	0	226,487
2037	231,805	150,000	150,000	47,344	81,805	557,335	0	0	1,875,000	0	231,805
2038	233,390	150,000	150,000	44,587	83,390	518,532	0	0	1,875,000	0	233,390
2039	236,528	150,000	150,000	41,483	86,528	473,487	0	0	1,875,000	0	236,528
2040	236,220	150,000	150,000	37,879	86,220	425,145	0	0	1,875,000	0	236,220
2041	237,757	150,000	150,000	34,012	87,757	371,400	0	0	1,875,000	0	237,757
2042	241,139	150,000	150,000	29,712	91,139	309,973	0	0	1,875,000	0	241,139
2043	246,366	150,000	150,000	24,798	96,366	238,405	0	0	1,875,000	0	246,366
2044	248,441	150,000	150,000	19,072	98,441	159,037	0	0	1,875,000	0	248,441
2045	252,652	150,000	150,000	12,723	102,652	69,108	0	0	1,875,000	0	252,652
2046	254,000	150,000	150,000	5,529	69,108	5,529	34,892	34,000	1,841,000	892	253,108
2047	257,774	147,280	147,280	442	5,971	0	105,415	105,000	1,736,000	415	258,251
2048	258,975	138,880	138,880	0	0	0	120,510	120,000	1,616,000	510	258,880
2049	262,893	129,280	129,280	0	0	0	134,123	134,000	1,482,000	123	263,280
2050	264,527	118,560	118,560	0	0	0	146,090	146,000	1,336,000	90	264,560
2051	264,168	106,880	106,880	0	0	0	157,378	157,000	1,179,000	378	263,880
2052	267,103	94,320	94,320	0	0	0	173,161	173,000	1,006,000	161	267,320
2053	273,335	80,480	80,480	0	0	0	193,017	193,000	813,000	17	273,480
2054	272,865	65,040	65,040	0	0	0	207,841	207,000	606,000	841	272,040
2055	811,221	48,480	48,480	0	0	0	763,582	606,000	0	157,582	654,480
2056	1,398,527	0	0	0	0	0	1,556,109	0	0	1,556,109	0
2057	1,412,582	0	0	0	0	0	2,968,691	0	0	2,968,691	0
2058	1,426,778	0	0	0	0	0	4,395,468	0	0	4,395,468	0
2059	1,441,115	0	0	0	0	0	5,836,584	0	0	5,836,584	0
2060	1,455,597	0	0	0	0	0	7,292,180	0	0	7,292,180	0
2061	1,470,223	0	0	0	0	0	8,762,403	0	0	8,762,403	0
2062	1,484,995	0	0	0	0	0	10,247,397	0	0	10,247,397	0
2063	1,499,915	0	0	0	0	0	11,747,312	0	0	11,747,312	0
2064	1,514,984	0	0	0	0	0	13,262,296	0	0	13,262,296	0
2065	1,530,204	0	0	0	0	0	14,792,500	0	0	14,792,500	0
2066	1,545,576	0	0	0	0	0	16,338,075	0	0	16,338,075	0
2067	1,561,101	0	0	0	0	0	17,899,177	0	0	17,899,177	0
2068	1,576,782	0	0	0	0	0	19,475,959	0	0	19,475,959	0
2069	1,592,620	0	0	0	0	0	21,068,580	0	0	21,068,580	0
2070	1,608,617	0	0	0	0	0	22,677,196	0	0	22,677,196	0
2071	1,624,773	0	0	0	0	0	24,301,969	0	0	24,301,969	0
Total			**3,429,701**		**1,331,164**			**1,875,000**			**6,635,866**

WELLS FARGO | Corporate & Investment Banking

Projected Subordinate Cash Flow - 2031

Year	Available for Subordinate Debt Service	Subordinate Interest	Less Payments Toward Sub Bond Interest	Interest on Accrued Balance	Less Payments Toward Accrued Interest	Balance of Accrued Interest	Subordinate Bonds Principal Issued	Less Payments Toward Bond Principal	Balance of Subordinated Bond Principal	Surplus Cash Flow to District	Total Payments
2025											
2026											
2027											
2028											
2029											
2030											
2031	213,559	57,188	57,188	0	0	0	3,050,000	156,000	2,894,000	372	213,188
2032	220,745	217,050	217,050	0	0	0		4,000	2,890,000	67	221,050
2033	224,615	216,750	216,750	0	0	0		7,000	2,883,000	932	223,750
2034	229,195	216,225	216,225	0	0	0		13,000	2,870,000	901	229,225
2035	229,487	215,250	215,250	0	0	0		15,000	2,855,000	138	230,250
2036	230,691	214,125	214,125	0	0	0		16,000	2,839,000	704	230,125
2037	232,810	212,925	212,925	0	0	0		20,000	2,819,000	590	232,925
2038	235,845	211,425	211,425	0	0	0		25,000	2,794,000	9	236,425
2039	239,795	209,550	209,550	0	0	0		30,000	2,764,000	254	239,550
2040	239,663	207,300	207,300	0	0	0		32,000	2,732,000	617	239,300
2041	245,650	204,900	204,900	0	0	0		41,000	2,691,000	367	245,900
2042	247,556	201,825	201,825	0	0	0		46,000	2,645,000	98	247,825
2043	250,584	198,375	198,375	0	0	0		52,000	2,593,000	306	250,375
2044	249,733	194,475	194,475	0	0	0		55,000	2,538,000	565	249,475
2045	255,207	190,350	190,350	0	0	0		65,000	2,473,000	422	255,350
2046	256,805	185,475	185,475	0	0	0		71,000	2,402,000	751	256,475
2047	259,729	180,150	180,150	0	0	0		80,000	2,322,000	330	260,150
2048	258,980	174,150	174,150	0	0	0		85,000	2,237,000	160	259,150
2049	264,760	167,775	167,775	0	0	0		97,000	2,140,000	145	264,775
2050	266,870	160,500	160,500	0	0	0		106,000	2,034,000	515	266,500
2051	270,510	152,550	152,550	0	0	0		118,000	1,916,000	475	270,550
2052	270,683	143,700	143,700	0	0	0		127,000	1,789,000	459	270,700
2053	272,590	134,175	134,175	0	0	0		138,000	1,651,000	874	272,175
2054	276,232	123,825	123,825	0	0	0		153,000	1,498,000	281	276,825
2055	281,610	112,350	112,350	0	0	0		169,000	1,329,000	541	281,350
2056	283,727	99,675	99,675	0	0	0		184,000	1,145,000	593	283,675
2057	282,782	85,875	85,875	0	0	0		197,000	948,000	500	282,875
2058	288,978	71,100	71,100	0	0	0		218,000	730,000	377	289,100
2059	292,115	54,750	54,750	0	0	0		237,000	493,000	743	291,750
2060	292,397	36,975	36,975	0	0	0		256,000	237,000	164	292,975
2061	295,023	17,775	17,775	0	0	0		237,000	0	40,412	254,775
2062	1,484,995	0	0	0	0	0		0	0	1,525,407	0
2063	1,499,915	0	0	0	0	0		0	0	3,025,321	0
2064	1,514,984	0	0	0	0	0		0	0	4,540,305	0
2065	1,530,204	0	0	0	0	0		0	0	6,070,509	0
2066	1,545,576	0	0	0	0	0		0	0	7,616,084	0
2067	1,561,101	0	0	0	0	0		0	0	9,177,186	0
2068	1,576,782	0	0	0	0	0		0	0	10,753,968	0
2069	1,592,620	0	0	0	0	0		0	0	12,346,589	0
2070	1,608,617	0	0	0	0	0		0	0	13,955,205	0
2071	1,624,773	0	0	0	0	0		0	0	15,579,978	0
Total			**4,868,513**		**0**			**3,050,000**			**7,918,513**

Preliminary Financing Analysis:
Highlands PID
Heber City, Utah

WELLS FARGO | Corporate & Investment Banking

Projected Assessed Value

Reassessment Rate 1%

Y	AV Set	Tax Rev Year	Beginning Market Value	New Market Value Added	Market Value Added to Rolls	Annual Reassessment	Gross Market Value	Assessed Value	Vacant: Market Value of Lots	Vacant: Market Value with Lag	Vacant: Assessed Value	Total Assessed Value
0	2025	2026	0	0	0	0	0	0	6,601,634	0	0	0
1	2026	2027	0	67,336,667	0	0	0	0	13,446,456	6,601,634	6,601,634	6,601,634
2	2027	2028	0	139,896,928	67,336,667	0	67,336,667	37,035,167	10,681,599	13,446,456	13,446,456	50,481,623
3	2028	2029	67,336,667	113,353,983	139,896,928	673,367	207,906,962	114,348,829	7,397,140	10,681,599	10,681,599	125,030,428
4	2029	2030	207,906,962	80,069,022	113,353,983	2,079,070	323,340,014	177,837,008	0	7,397,140	7,397,140	185,234,148
5	2030	2031	323,340,014	0	80,069,022	3,233,400	406,642,437	223,653,340	0	0	0	223,653,340
6	2031	2032	406,642,437	0	0	4,066,424	410,708,861	225,889,874	0	0	0	225,889,874
7	2032	2033	410,708,861	0	0	4,107,089	414,815,950	228,148,772	0	0	0	228,148,772
8	2033	2034	414,815,950	0	0	4,148,159	418,964,109	230,430,260	0	0	0	230,430,260
9	2034	2035	418,964,109	0	0	4,189,641	423,153,750	232,734,563	0	0	0	232,734,563
10	2035	2036	423,153,750	0	0	4,231,538	427,385,288	235,061,908	0	0	0	235,061,908
11	2036	2037	427,385,288	0	0	4,273,853	431,659,141	237,412,527	0	0	0	237,412,527
12	2037	2038	431,659,141	0	0	4,316,591	435,975,732	239,786,653	0	0	0	239,786,653
13	2038	2039	435,975,732	0	0	4,359,757	440,335,490	242,184,519	0	0	0	242,184,519
14	2039	2040	440,335,490	0	0	4,403,355	444,738,844	244,606,364	0	0	0	244,606,364
15	2040	2041	444,738,844	0	0	4,447,388	449,186,233	247,052,428	0	0	0	247,052,428
16	2041	2042	449,186,233		0	4,491,862	453,678,095	249,522,952	0	0	0	249,522,952
17	2042	2043	453,678,095		0	4,536,781	458,214,876	252,018,182				252,018,182
18	2043	2044	458,214,876		0	4,582,149	462,797,025	254,538,364				254,538,364
19	2044	2045	462,797,025		0	4,627,970	467,424,995	257,083,747				257,083,747
20	2045	2046	467,424,995		0	4,674,250	472,099,245	259,654,585				259,654,585
21	2046	2047	472,099,245		0	4,720,992	476,820,238	262,251,131				262,251,131
22	2047	2048	476,820,238		0	4,768,202	481,588,440	264,873,642				264,873,642
23	2048	2049	481,588,440		0	4,815,884	486,404,324	267,522,378				267,522,378
24	2049	2050	486,404,324		0	4,864,043	491,268,368	270,197,602				270,197,602
25	2050	2051	491,268,368		0	4,912,684	496,181,051	272,899,578				272,899,578
26	2051	2052	496,181,051		0	4,961,811	501,142,862	275,628,574				275,628,574
27	2052	2053	501,142,862		0	5,011,429	506,154,290	278,384,860				278,384,860
28	2053	2054	506,154,290		0	5,061,543	511,215,833	281,168,708				281,168,708
29	2054	2055	511,215,833		0	5,112,158	516,327,992	283,980,395				283,980,395
30	2055	2056	516,327,992		0	5,163,280	521,491,272	286,820,199				286,820,199
31	2056	2057	521,491,272		0	5,214,913	526,706,184	289,688,401				289,688,401
32	2057	2058	526,706,184		0	5,267,062	531,973,246	292,585,285				292,585,285
33	2058	2059	531,973,246		0	5,319,732	537,292,979	295,511,138				295,511,138
34	2059	2060	537,292,979		0	5,372,930	542,665,908	298,466,250				298,466,250
35	2060	2061	542,665,908		0	5,426,659	548,092,567	301,450,912				301,450,912
36	2061	2062	548,092,567		0	5,480,926	553,573,493	304,465,421				304,465,421
37	2062	2063	553,573,493		0	5,535,735	559,109,228	307,510,075				307,510,075
38	2063	2064	559,109,228		0	5,591,092	564,700,320	310,585,176				310,585,176
39	2064	2065	564,700,320		0	5,647,003	570,347,324	313,691,028				313,691,028
40	2065	2066	570,347,324		0	5,703,473	576,050,797	316,827,938				316,827,938
41	2066	2067	576,050,797		0	5,760,508	581,811,305	319,996,218				319,996,218
42	2067	2068	581,811,305		0	5,818,113	587,629,418	323,196,180				323,196,180
43	2068	2069	587,629,418		0	5,876,294	593,505,712	326,428,142				326,428,142
44	2069	2070	593,505,712		0	5,935,057	599,440,769	329,692,423				329,692,423
45	2070	2071	599,440,769		0	5,994,408	605,435,177	332,989,347				332,989,347
		Totals		$400,656,600	$400,656,600	$204,778,576			$38,126,829	$38,126,829		

Preliminary Financing Analysis:
Highlands PID
Heber City, Utah

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Projected Revenues Available for Debt Service

Y	AV Set	Tax Rev Year	Total Assessed Value	Debt Service Mill Levy	Debt Service Mill Levy Collections	Less Trustee Fees and County Collections	Tax Revenue Available for Debt Service	Capital Fees	Total Revenue
0	2025	2026	0	5.000	0	-7,000	0		0
1	2026	2027	6,601,634	5.000	32,843	-7,493	25,350		25,350
2	2027	2028	50,481,623	5.000	251,146	-10,767	240,379		240,379
3	2028	2029	125,030,428	5.000	622,026	-16,330	605,696		605,696
4	2029	2030	185,234,148	5.000	921,540	-20,823	900,717		900,717
5	2030	2031	223,653,340	5.000	1,112,675	-23,690	1,088,985		1,088,985
6	2031	2032	225,889,874	5.000	1,123,802	-23,857	1,099,945		1,099,945
7	2032	2033	228,148,772	5.000	1,135,040	-24,026	1,111,015		1,111,015
8	2033	2034	230,430,260	5.000	1,146,391	-24,196	1,122,195		1,122,195
9	2034	2035	232,734,563	5.000	1,157,854	-24,368	1,133,487		1,133,487
10	2035	2036	235,061,908	5.000	1,169,433	-24,541	1,144,891		1,144,891
11	2036	2037	237,412,527	5.000	1,181,127	-24,717	1,156,410		1,156,410
12	2037	2038	239,786,653	5.000	1,192,939	-24,894	1,168,045		1,168,045
13	2038	2039	242,184,519	5.000	1,204,868	-25,073	1,179,795		1,179,795
14	2039	2040	244,606,364	5.000	1,216,917	-25,254	1,191,663		1,191,663
15	2040	2041	247,052,428	5.000	1,229,086	-25,436	1,203,650		1,203,650
16	2041	2042	249,522,952	5.000	1,241,377	-25,621	1,215,756		1,215,756
17	2042	2043	252,018,182	5.000	1,253,790	-25,807	1,227,984		1,227,984
18	2043	2044	254,538,364	5.000	1,266,328	-25,995	1,240,333		1,240,333
19	2044	2045	257,083,747	5.000	1,278,992	-26,185	1,252,807		1,252,807
20	2045	2046	259,654,585	5.000	1,291,782	-26,377	1,265,405		1,265,405
21	2046	2047	262,251,131	5.000	1,304,699	-26,570	1,278,129		1,278,129
22	2047	2048	264,873,642	5.000	1,317,746	-26,766	1,290,980		1,290,980
23	2048	2049	267,522,378	5.000	1,330,924	-26,964	1,303,960		1,303,960
24	2049	2050	270,197,602	5.000	1,344,233	-27,163	1,317,070		1,317,070
25	2050	2051	272,899,578	5.000	1,357,675	-27,365	1,330,310		1,330,310
26	2051	2052	275,628,574	5.000	1,371,252	-27,569	1,343,683		1,343,683
27	2052	2053	278,384,860	5.000	1,384,965	-27,774	1,357,190		1,357,190
28	2053	2054	281,168,708	5.000	1,398,814	-27,982	1,370,832		1,370,832
29	2054	2055	283,980,395	5.000	1,412,802	-28,192	1,384,610		1,384,610
30	2055	2056	286,820,199	5.000	1,426,930	-28,404	1,398,527		1,398,527
31	2056	2057	289,688,401	5.000	1,441,200	-28,618	1,412,582		1,412,582
32	2057	2058	292,585,285	5.000	1,455,612	-28,834	1,426,778		1,426,778
33	2058	2059	295,511,138	5.000	1,470,168	-29,053	1,441,115		1,441,115
34	2059	2060	298,466,250	5.000	1,484,870	-29,273	1,455,597		1,455,597
35	2060	2061	301,450,912	5.000	1,499,718	-29,496	1,470,223		1,470,223
36	2061	2062	304,465,421	5.000	1,514,715	-29,721	1,484,995		1,484,995
37	2062	2063	307,510,075	5.000	1,529,863	-29,948	1,499,915		1,499,915
38	2063	2064	310,585,176	5.000	1,545,161	-30,177	1,514,984		1,514,984
39	2064	2065	313,691,028	5.000	1,560,613	-30,409	1,530,204		1,530,204
40	2065	2066	316,827,938	5.000	1,576,219	-30,643	1,545,576		1,545,576
41	2066	2067	319,996,218	5.000	1,591,981	-30,880	1,561,101		1,561,101
42	2067	2068	323,196,180	5.000	1,607,901	-31,119	1,576,782		1,576,782
43	2068	2069	326,428,142	5.000	1,623,980	-31,360	1,592,620		1,592,620
44	2069	2070	329,692,423	5.000	1,640,220	-31,603	1,608,617		1,608,617
45	2070	2071	332,989,347	5.000	1,656,622	-31,849	1,624,773		1,624,773
Totals					$57,878,841	-$1,218,183	$56,674,658		

Absorption Schedule - Phase 1

	Total	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton
2023	-					
2024	-					
2025	-	-	-			
2026	99	18	15	26	28	12
2027	3	3	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-					
2031	-					
2032	-					
2033	-					
2034	-					
2035	-					
2036	-					
2037	-					
	102	21	15	26	28	12

Preliminary Financing Analysis:
Highlands PID
Heber City, Utah

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Value of Closings - Phase 1

Pricing	$689,000	$733,000	$659,990	$649,990	$604,990
Growth	2.00%	2.00%	2.00%	2.00%	2.00%

	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton	Total Market Value
2023	$0	$0	$0	$0	$0	$0
2024	$0	$0	$0	$0	$0	$0
2025	$0	$0	$0	$0	$0	$0
2026	$12,650,040	$11,214,900	$17,502,935	$18,563,714	$7,405,078	$67,336,667
2027	$2,150,507	$0	$0	$0	$0	$2,150,507
2028	$0	$0	$0	$0	$0	$0
2029	$0	$0	$0	$0	$0	$0
2030	$0	$0	$0	$0	$0	$0
2031	$0	$0	$0	$0	$0	$0
2032	$0	$0	$0	$0	$0	$0
2033	$0	$0	$0	$0	$0	$0
2034	$0	$0	$0	$0	$0	$0
2035	$0	$0	$0	$0	$0	$0
2036	$0	$0	$0	$0	$0	-
2037	$0	$0	$0	$0	$0	-
	$14,800,547	$11,214,900	$17,502,935	$18,563,714	$7,405,078	$69,487,174

Vacant Land Value - Phase 1

100%

AV Set	Collection Year	Value of New Lots	Less: Lots to Homes	Net Value with Lag	Adjustments	Cumulative Finished Lot Value	100% Lot Value	Assessed Value of Lots
2022	2023	$0	$0	$0	$0	$0	$0	$0
2023	2024	$0	$0	$0	$0	$0	$0	$0
2024	2025	$0	$0	$0	$0	$0	$0	$0
2025	2026	$6,601,634	$0	$6,601,634	$0	$6,601,634	$6,601,634	$6,601,634
2026	2027	$206,700	-$6,601,634	-$6,394,934	$0	$206,700	$206,700	$206,700
2027	2028	$0	-$206,700	-$206,700		$0	$0	$0
2028	2029	$0	$0	$0		$0	$0	$0
2029	2030	$0	$0	$0		$0	$0	$0
2030	2031	$0	$0	$0		$0	$0	$0
2031	2032	$0	$0	$0		$0	$0	$0
2032	2033	$0	$0	$0		$0	$0	$0
2033	2034	$0	$0	$0		$0	$0	$0
2034	2035	$0	$0	$0		$0	$0	$0
2035	2036	-	$0	$0		-	-	-
2036	2037	-	$0	$0		-	-	-
		$6,808,334	-$6,808,334					

Absorption Schedule - Phase 2

	Total	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton
2023	-					
2024	-					
2025	-	-	-			
2026	-					
2027	201	28	29	41	55	48
2028	19	-	-	-	-	19
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-					
2035	-					
2036	-					
2037	-					
	220	28	29	41	55	67

Preliminary Financing Analysis:
Highlands PID
Heber City, Utah

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Value of Closings - Phase 2

Pricing	$689,000	$733,000	$659,990	$649,990	$604,990
Growth	2.00%	2.00%	2.00%	2.00%	2.00%

	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton	Total Market Value
2023	$0	$0	$0	$0	$0	$0
2024	$0	$0	$0	$0	$0	$0
2025	$0	$0	$0	$0	$0	$0
2026	$0	$0	$0	$0	$0	$0
2027	$20,071,397	$22,115,783	$28,152,797	$37,193,728	$30,212,717	$137,746,421
2028	$0	$0	$0	$0	$12,198,384	$12,198,384
2029	$0	$0	$0	$0	$0	$0
2030	$0	$0	$0	$0	$0	$0
2031	$0	$0	$0	$0	$0	$0
2032	$0	$0	$0	$0	$0	$0
2033	$0	$0	$0	$0	$0	$0
2034	$0	$0	$0	$0	$0	$0
2035	$0	$0	$0	$0	$0	$0
2036	$0	$0	$0	$0	$0	-
2037	$0	$0	$0	$0	$0	-
	$20,071,397	$22,115,783	$28,152,797	$37,193,728	$42,411,101	$149,944,806

Vacant Land Value - Phase 2

100%

AV Set	Collection Year	Value of New Lots	Less: Lots to Homes	Net Value with Lag	Adjustments	Cumulative Finished Lot Value	100% Lot Value	Assessed Value of Lots
2022	2023	$0	$0	$0	$0	$0	$0	$0
2023	2024	$0	$0	$0	$0	$0	$0	$0
2024	2025	$0	$0	$0	$0	$0	$0	$0
2025	2026	$0	$0	$0	$0	$0	$0	$0
2026	2027	$13,239,756	$0	$13,239,756	$0	$13,239,756	$13,239,756	$13,239,756
2027	2028	$1,149,481	-$13,239,756	-$12,090,275		$1,149,481	$1,149,481	$1,149,481
2028	2029	$0	-$1,149,481	-$1,149,481		$0	$0	$0
2029	2030	$0	$0	$0		$0	$0	$0
2030	2031	$0	$0	$0		$0	$0	$0
2031	2032	$0	$0	$0		$0	$0	$0
2032	2033	$0	$0	$0		$0	$0	$0
2033	2034	$0	$0	$0		$0	$0	$0
2034	2035	$0	$0	$0		$0	$0	$0
2035	2036	-	$0	$0		-	-	-
2036	2037	-	$0	$0		-	-	-
		$14,389,237	-$14,389,237					

Absorption Schedule - Phase 3

	Total	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton
2023	-					
2024	-					
2025	-	-	-			
2026	-					
2027	-					
2028	82	19	15	-	-	48
2029	6	-	-	-	-	6
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-					
2035	-					
2036	-					
2037	-					
	88	19	15	-	-	54

Preliminary Financing Analysis:
Highlands PID
Heber City, Utah

WELLS FARGO | Corporate & Investment Banking

Value of Closings - Phase 3

Pricing	$689,000	$733,000	$659,990	$649,990	$604,990
Growth	2.00%	2.00%	2.00%	2.00%	2.00%

	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton	Total Market Value
2023	$0	$0	$0	$0	$0	$0
2024	$0	$0	$0	$0	$0	$0
2025	$0	$0	$0	$0	$0	$0
2026	$0	$0	$0	$0	$0	$0
2027	$0	$0	$0	$0	$0	$0
2028	$13,892,274	$11,667,982	$0	$0	$30,816,971	$56,377,227
2029	$0	$0	$0	$0	$3,929,164	$3,929,164
2030	$0	$0	$0	$0	$0	$0
2031	$0	$0	$0	$0	$0	$0
2032	$0	$0	$0	$0	$0	$0
2033	$0	$0	$0	$0	$0	$0
2034	$0	$0	$0	$0	$0	$0
2035	$0	$0	$0	$0	$0	$0
2036	$0	$0	$0	$0	$0	-
2037	$0	$0	$0	$0	$0	-
	$13,892,274	$11,667,982	$0	$0	$34,746,135	$60,306,391

Vacant Land Value - Phase 3

100%

AV Set	Collection Year	Value of New Lots	Less: Lots to Homes	Net Value with Lag	Adjustments	Cumulative Finished Lot Value	100% Lot Value	Assessed Value of Lots
2022	2023	$0	$0	$0	$0	$0	$0	$0
2023	2024	$0	$0	$0	$0	$0	$0	$0
2024	2025	$0	$0	$0	$0	$0	$0	$0
2025	2026	$0	$0	$0	$0	$0	$0	$0
2026	2027	$0	$0	$0	$0	$0	$0	$0
2027	2028	$5,312,552	$0	$5,312,552		$5,312,552	$5,312,552	$5,312,552
2028	2029	$362,994	-$5,312,552	-$4,949,558		$362,994	$362,994	$362,994
2029	2030	$0	-$362,994	-$362,994		$0	$0	$0
2030	2031	$0	$0	$0		$0	$0	$0
2031	2032	$0	$0	$0		$0	$0	$0
2032	2033	$0	$0	$0		$0	$0	$0
2033	2034	$0	$0	$0		$0	$0	$0
2034	2035	$0	$0	$0		$0	$0	$0
2035	2036	-	$0	$0		-	-	-
2036	2037	-	$0	$0		-	-	-
		$5,675,546	-$5,675,546					

Absorption Schedule - Phase 4

	Total	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton
2023	-					
2024	-					
2025	-	-	-			
2026	-					
2027	-					
2028	62	12	16	10	24	
2029	104	32	18	-	54	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
2032	-	-	-	-	-	-
2033	-	-	-	-	-	-
2034	-					
2035	-					
2036	-					
2037	-					
	166	44	34	10	78	-

Preliminary Financing Analysis:
Highlands PID
Heber City, Utah

WELLS FARGO | Corporate & Investment Banking

Value of Closings - Phase 4

Pricing	$689,000	$733,000	$659,990	$649,990	$604,990
Growth	2.00%	2.00%	2.00%	2.00%	2.00%

	Alta	Cottage	TH- Oliver	TH- Millbrook	TH- Dalton	Total Market Value
2023	$0	$0	$0	$0	$0	$0
2024	$0	$0	$0	$0	$0	$0
2025	$0	$0	$0	$0	$0	$0
2026	$0	$0	$0	$0	$0	$0
2027	$0	$0	$0	$0	$0	$0
2028	$8,774,068	$12,445,847	$7,003,867	$16,554,590	$0	$44,778,372
2029	$23,865,464	$14,281,610	$0	$37,992,784	$0	$76,139,858
2030	$0	$0	$0	$0	$0	$0
2031	$0	$0	$0	$0	$0	$0
2032	$0	$0	$0	$0	$0	$0
2033	$0	$0	$0	$0	$0	$0
2034	$0	$0	$0	$0	$0	$0
2035	$0	$0	$0	$0	$0	$0
2036	$0	$0	$0	$0	$0	-
2037	$0	$0	$0	$0	$0	-
	$32,639,532	$26,727,457	$7,003,867	$54,547,374	$0	$120,918,230

Vacant Land Value - Phase 4

100%

AV Set	Collection Year	Value of New Lots	Less: Lots to Homes	Net Value with Lag	Adjustments	Cumulative Finished Lot Value	100% Lot Value	Assessed Value of Lots
2022	2023	$0	$0	$0	$0	$0	$0	$0
2023	2024	$0	$0	$0	$0	$0	$0	$0
2024	2025	$0	$0	$0	$0	$0	$0	$0
2025	2026	$0	$0	$0	$0	$0	$0	$0
2026	2027	$0	$0	$0	$0	$0	$0	$0
2027	2028	$4,219,566	$0	$4,219,566		$4,219,566	$4,219,566	$4,219,566
2028	2029	$7,034,146	-$4,219,566	$2,814,580		$7,034,146	$7,034,146	$7,034,146
2029	2030	$0	-$7,034,146	-$7,034,146		$0	$0	$0
2030	2031	$0	$0	$0		$0	$0	$0
2031	2032	$0	$0	$0		$0	$0	$0
2032	2033	$0	$0	$0		$0	$0	$0
2033	2034	$0	$0	$0		$0	$0	$0
2034	2035	$0	$0	$0		$0	$0	$0
2035	2036	-	$0	$0		-	-	-
2036	2037	-	$0	$0		-	-	-
		$11,253,712	-$11,253,712					

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Sources:	Series 2026A-1 Senior Bonds (PID)	Series 2026A-2 Senior Bonds (Assessment)	Series 2026B Subordinate Bonds (PID)	Total
Bond Proceeds:				
Par Amount	13,150,000.00	33,390,000.00	1,875,000.00	48,415,000.00
	13,150,000.00	33,390,000.00	1,875,000.00	48,415,000.00

Uses:	Series 2026A-1 Senior Bonds (PID)	Series 2026A-2 Senior Bonds (Assessment)	Series 2026B Subordinate Bonds (PID)	Total
Project Fund Deposits:				
New Money	9,475,267.99	27,452,343.85	1,818,136.17	38,745,748.01
Other Fund Deposits:				
Capitalized Interest	2,268,375.00	1,752,975.00		4,021,350.00
Debt Service Reserve Fund	1,073,301.99	3,339,000.00		4,412,301.99
	3,341,676.99	5,091,975.00		8,433,651.99
Delivery Date Expenses:				
Cost of Issuance	135,805.02	344,831.15	19,363.83	500,000.00
Underwriter's Discount	197,250.00	500,850.00	37,500.00	735,600.00
	333,055.02	845,681.15	56,863.83	1,235,600.00
	13,150,000.00	33,390,000.00	1,875,000.00	48,415,000.00

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Service Coverage
12/15/2026		504,083	-521,972	-17,888		17,888	
12/15/2027		756,125	-782,958	-26,833	25,350	52,183	
12/15/2028		756,125	-782,958	-26,833	240,379	267,211	
12/15/2029		756,125	-278,874	477,251	605,696	128,445	126.91%
12/15/2030		756,125	-26,833	729,292	900,717	171,424	123.51%
12/15/2031	140,000	896,125	-26,833	869,292	1,088,985	219,693	125.27%
12/15/2032	160,000	908,075	-26,833	881,242	1,099,945	218,703	124.82%
12/15/2033	175,000	913,875	-26,833	887,042	1,111,015	223,972	125.25%
12/15/2034	195,000	923,813	-26,833	896,980	1,122,195	225,215	125.11%
12/15/2035	215,000	932,600	-26,833	905,767	1,133,487	227,719	125.14%
12/15/2036	240,000	945,238	-26,833	918,405	1,144,892	226,487	124.66%
12/15/2037	260,000	951,438	-26,833	924,605	1,156,410	231,805	125.07%
12/15/2038	285,000	961,488	-26,833	934,655	1,168,045	233,390	124.97%
12/15/2039	310,000	970,100	-26,833	943,267	1,179,795	236,528	125.08%
12/15/2040	340,000	982,275	-26,833	955,442	1,191,663	236,220	124.72%
12/15/2041	370,000	992,725	-26,833	965,892	1,203,650	237,757	124.62%
12/15/2042	400,000	1,001,450	-26,833	974,617	1,215,756	241,139	124.74%
12/15/2043	430,000	1,008,450	-26,833	981,617	1,227,984	246,366	125.10%
12/15/2044	465,000	1,018,725	-26,833	991,892	1,240,333	248,441	125.05%
12/15/2045	500,000	1,026,988	-26,833	1,000,155	1,252,807	252,652	125.26%
12/15/2046	540,000	1,038,238	-26,833	1,011,405	1,265,405	254,000	125.11%
12/15/2047	580,000	1,047,188	-26,833	1,020,355	1,278,129	257,774	125.26%
12/15/2048	625,000	1,058,838	-26,833	1,032,005	1,290,980	258,975	125.09%
12/15/2049	670,000	1,067,900	-26,833	1,041,067	1,303,960	262,893	125.25%
12/15/2050	720,000	1,079,375	-26,833	1,052,542	1,317,070	264,527	125.13%
12/15/2051	775,000	1,092,975	-26,833	1,066,142	1,330,310	264,168	124.78%
12/15/2052	830,000	1,103,413	-26,833	1,076,580	1,343,683	267,103	124.81%
12/15/2053	885,000	1,110,688	-26,833	1,083,855	1,357,190	273,335	125.22%
12/15/2054	950,000	1,124,800	-26,833	1,097,967	1,370,832	272,865	124.85%
12/15/2055	2,090,000	2,210,175	-1,100,135	1,110,040	1,384,610	274,570	124.74%
	13,150,000	29,895,533	-4,137,709	25,757,824	32,551,272	6,793,448	

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Period Ending	Proposed Principal	Proposed Debt Service	Debt Service Adjustments	Total Adj Debt Service
12/15/2026		1,168,650	-1,224,300	-55,650
12/15/2027		1,752,975	-667,800	1,085,175
12/15/2028		1,752,975	-83,475	1,669,500
12/15/2029	530,000	2,282,975	-83,475	2,199,500
12/15/2030	555,000	2,280,150	-83,475	2,196,675
12/15/2031	585,000	2,281,013	-83,475	2,197,538
12/15/2032	615,000	2,280,300	-83,475	2,196,825
12/15/2033	650,000	2,283,013	-83,475	2,199,538
12/15/2034	685,000	2,283,888	-83,475	2,200,413
12/15/2035	720,000	2,282,925	-83,475	2,199,450
12/15/2036	755,000	2,280,125	-83,475	2,196,650
12/15/2037	795,000	2,280,488	-83,475	2,197,013
12/15/2038	840,000	2,283,750	-83,475	2,200,275
12/15/2039	885,000	2,284,650	-83,475	2,201,175
12/15/2040	930,000	2,283,188	-83,475	2,199,713
12/15/2041	980,000	2,284,363	-83,475	2,200,888
12/15/2042	1,030,000	2,282,913	-83,475	2,199,438
12/15/2043	1,085,000	2,283,838	-83,475	2,200,363
12/15/2044	1,140,000	2,281,875	-83,475	2,198,400
12/15/2045	1,200,000	2,282,025	-83,475	2,198,550
12/15/2046	1,265,000	2,284,025	-83,475	2,200,550
12/15/2047	1,330,000	2,282,613	-83,475	2,199,138
12/15/2048	1,400,000	2,282,788	-83,475	2,199,313
12/15/2049	1,475,000	2,284,288	-83,475	2,200,813
12/15/2050	1,550,000	2,281,850	-83,475	2,198,375
12/15/2051	1,630,000	2,280,475	-83,475	2,197,000
12/15/2052	1,715,000	2,279,900	-83,475	2,196,425
12/15/2053	1,805,000	2,279,863	-83,475	2,196,388
12/15/2054	1,900,000	2,280,100	-83,475	2,196,625
12/15/2055	5,340,000	5,620,350	-3,422,475	2,197,875
	33,390,000	69,632,325	-7,568,400	62,063,925

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Bond Component	Maturity Date	Amount	Rate	Yield	Price
2055A-1 Term Bond (PID):					
	12/01/2055	13,150,000	5.750%	5.750%	100.000
2055A-2 Term Bond (Assessment):					
	12/01/2055	33,390,000	5.250%	5.250%	100.000
2055B Term Bond (PID):					
	12/15/2055	1,875,000	8.000%	8.000%	100.000
		48,415,000			

Dated Date	04/01/2026	
Delivery Date	04/01/2026	
Par Amount	48,415,000.00	
Original Issue Discount		
Production	48,415,000.00	100.000000%
Underwriter's Discount	-735,600.00	-1.519364%
Purchase Price	47,679,400.00	98.480636%
Accrued Interest		
Net Proceeds	47,679,400.00	

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
**** Preliminary ****

	Series 2026A-1 Senior Bonds (PID)	Series 2026A-2 Senior Bonds (Assessment)	Series 2026B Subordinate Bonds (PID)	Aggregate
Dated Date	04/01/2026	04/01/2026	04/01/2026	04/01/2026
Delivery Date	04/01/2026	04/01/2026	04/01/2026	04/01/2026
Last Maturity	12/01/2055	12/01/2055	12/15/2055	12/15/2055
Arbitrage Yield	5.514860%	5.514860%	5.514860%	5.514860%
True Interest Cost (TIC)	5.876717%	5.377567%	8.025839%	5.642994%
Net Interest Cost (NIC)	5.817731%	5.322552%	8.067327%	5.608969%
All-In TIC	5.965138%	5.466675%	8.118262%	5.731811%
Average Coupon	5.750000%	5.250000%	8.000000%	5.538051%
Average Life (years)	22.147	20.675	29.706	21.424
Duration of Issue (years)	12.303	12.179	11.963	12.238
Par Amount	13,150,000.00	33,390,000.00	1,875,000.00	48,415,000.00
Bond Proceeds	13,150,000.00	33,390,000.00	1,875,000.00	48,415,000.00
Total Interest	16,745,533.33	36,242,325.00	4,455,833.33	57,443,691.66
Net Interest	16,942,783.33	36,743,175.00	4,493,333.33	58,179,291.66
Total Debt Service	29,895,533.33	69,632,325.00	6,330,833.33	105,858,691.66
Maximum Annual Debt Service	2,210,175.00	5,620,350.00	2,025,000.00	9,855,525.00
Average Annual Debt Service	1,007,714.61	2,347,157.02	213,119.51	3,563,599.12
Underwriter's Fees (per $1000)				
Average Takedown	15.000000	15.000000	20.000000	15.193638
Other Fee				
Total Underwriter's Discount	15.000000	15.000000	20.000000	15.193638
Bid Price	98.500000	98.500000	98.000000	98.480636

Bond Component	Par Value	Price	Average Coupon	Average Life
2055A-2 Term Bond (Assessment)	33,390,000.00	100.000	5.250%	20.675
2055A-1 Term Bond (PID)	13,150,000.00	100.000	5.750%	22.147
2055B Term Bond (PID)	1,875,000.00	100.000	8.000%	29.706
	48,415,000.00			21.424

	TIC	All-In TIC	Arbitrage Yield
Par Value	48,415,000.00	48,415,000.00	48,415,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-735,600.00	-735,600.00	
- Cost of Issuance Expense		-500,000.00	
- Other Amounts			
Target Value	47,679,400.00	47,179,400.00	48,415,000.00
Target Date	04/01/2026	04/01/2026	04/01/2026
Yield	5.642994%	5.731811%	5.514860%

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Period Ending	Total Debt Service	General Fund	Capitalized Interest	Debt Service Reserve Fund	Net Debt Service
12/15/2026	504,083.33	-17,888.36	504,083.33	17,888.36	
12/15/2027	756,125.00	-26,832.54	756,125.00	26,832.54	
12/15/2028	756,125.00	-26,832.54	756,125.00	26,832.54	
12/15/2029	756,125.00	71,553.44	252,041.67	26,832.54	405,697.35
12/15/2030	756,125.00			26,832.54	729,292.46
12/15/2031	896,125.00			26,832.54	869,292.46
12/15/2032	908,075.00			26,832.54	881,242.46
12/15/2033	913,875.00			26,832.54	887,042.46
12/15/2034	923,812.50			26,832.54	896,979.96
12/15/2035	932,600.00			26,832.54	905,767.46
12/15/2036	945,237.50			26,832.54	918,404.96
12/15/2037	951,437.50			26,832.54	924,604.96
12/15/2038	961,487.50			26,832.54	934,654.96
12/15/2039	970,100.00			26,832.54	943,267.46
12/15/2040	982,275.00			26,832.54	955,442.46
12/15/2041	992,725.00			26,832.54	965,892.46
12/15/2042	1,001,450.00			26,832.54	974,617.46
12/15/2043	1,008,450.00			26,832.54	981,617.46
12/15/2044	1,018,725.00			26,832.54	991,892.46
12/15/2045	1,026,987.50			26,832.54	1,000,154.96
12/15/2046	1,038,237.50			26,832.54	1,011,404.96
12/15/2047	1,047,187.50			26,832.54	1,020,354.96
12/15/2048	1,058,837.50			26,832.54	1,032,004.96
12/15/2049	1,067,900.00			26,832.54	1,041,067.46
12/15/2050	1,079,375.00			26,832.54	1,052,542.46
12/15/2051	1,092,975.00			26,832.54	1,066,142.46
12/15/2052	1,103,412.50			26,832.54	1,076,579.96
12/15/2053	1,110,687.50			26,832.54	1,083,854.96
12/15/2054	1,124,800.00			26,832.54	1,097,967.46
12/15/2055	2,210,175.00			1,100,134.53	1,110,040.47
	29,895,533.33	0.00	2,268,375.00	1,869,334.01	25,757,824.32

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Period Ending	Total Debt Service	General Fund	Capitalized Interest	Debt Service Reserve Fund	Net Debt Service
12/15/2026	1,168,650.00	-55,650	1,168,650	55,650	
12/15/2027	1,752,975.00	55,650	584,325	83,475	1,029,525.00
12/15/2028	1,752,975.00			83,475	1,669,500.00
12/15/2029	2,282,975.00			83,475	2,199,500.00
12/15/2030	2,280,150.00			83,475	2,196,675.00
12/15/2031	2,281,012.50			83,475	2,197,537.50
12/15/2032	2,280,300.00			83,475	2,196,825.00
12/15/2033	2,283,012.50			83,475	2,199,537.50
12/15/2034	2,283,887.50			83,475	2,200,412.50
12/15/2035	2,282,925.00			83,475	2,199,450.00
12/15/2036	2,280,125.00			83,475	2,196,650.00
12/15/2037	2,280,487.50			83,475	2,197,012.50
12/15/2038	2,283,750.00			83,475	2,200,275.00
12/15/2039	2,284,650.00			83,475	2,201,175.00
12/15/2040	2,283,187.50			83,475	2,199,712.50
12/15/2041	2,284,362.50			83,475	2,200,887.50
12/15/2042	2,282,912.50			83,475	2,199,437.50
12/15/2043	2,283,837.50			83,475	2,200,362.50
12/15/2044	2,281,875.00			83,475	2,198,400.00
12/15/2045	2,282,025.00			83,475	2,198,550.00
12/15/2046	2,284,025.00			83,475	2,200,550.00
12/15/2047	2,282,612.50			83,475	2,199,137.50
12/15/2048	2,282,787.50			83,475	2,199,312.50
12/15/2049	2,284,287.50			83,475	2,200,812.50
12/15/2050	2,281,850.00			83,475	2,198,375.00
12/15/2051	2,280,475.00			83,475	2,197,000.00
12/15/2052	2,279,900.00			83,475	2,196,425.00
12/15/2053	2,279,862.50			83,475	2,196,387.50
12/15/2054	2,280,100.00			83,475	2,196,625.00
12/15/2055	5,620,350.00			3,422,475	2,197,875.00
	69,632,325.00	0	1,752,975	5,815,425	62,063,925.00

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Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Underwriter's Discount	$/1000	Amount
Average Takedown	15.19364	735,600.00
	15.19364	735,600.00

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2026 New Money
With Assessment Bonds
****** Preliminary ******

Cost of Issuance	$/1000	Amount
Costs of Issuance	10.32738	500,000.00
	10.32738	500,000.00

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Sources:	Series 2031 Senior Bonds (Refunding)	Series 2031 Senior Bonds (New Money)	Series 2031 Subordinate Bonds (New Money)	Total
Bond Proceeds:				
Par Amount	15,300,000.00	2,130,000.00	3,050,000.00	20,480,000.00
Other Sources of Funds:				
DSRF 2026	1,073,301.99			1,073,301.99
Surplus 2026	536,651.00			536,651.00
	1,609,952.99			1,609,952.99
	16,909,952.99	2,130,000.00	3,050,000.00	22,089,952.99

Uses:	Series 2031 Senior Bonds (Refunding)	Series 2031 Senior Bonds (New Money)	Series 2031 Subordinate Bonds (New Money)	Total
Project Fund Deposits:				
New Money		2,056,198.83	2,971,067.56	5,027,266.39
Refunding Escrow Deposits:				
Cash Deposit	16,378,345.92			16,378,345.92
Delivery Date Expenses:				
Cost of Issuance	224,121.09	31,201.17	44,677.74	300,000.00
Underwriter's Discount	306,000.00	42,600.00	34,254.70	382,854.70
	530,121.09	73,801.17	78,932.44	682,854.70
Other Uses of Funds:				
Additional Proceeds	1,485.98			1,485.98
	16,909,952.99	2,130,000.00	3,050,000.00	22,089,952.99

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Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******
Universal Bond Solution Component

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Service Coverage
12/15/2031	325,000	497,363	373,750	871,113	1,088,985	217,872	125.01%
12/15/2032	195,000	879,200		879,200	1,099,945	220,745	125.11%
12/15/2033	210,000	886,400		886,400	1,111,015	224,615	125.34%
12/15/2034	225,000	893,000		893,000	1,122,195	229,195	125.67%
12/15/2035	245,000	904,000		904,000	1,133,487	229,487	125.39%
12/15/2036	265,000	914,200		914,200	1,144,892	230,692	125.23%
12/15/2037	285,000	923,600		923,600	1,156,410	232,810	125.21%
12/15/2038	305,000	932,200		932,200	1,168,045	235,845	125.30%
12/15/2039	325,000	940,000		940,000	1,179,795	239,795	125.51%
12/15/2040	350,000	952,000		952,000	1,191,663	239,663	125.17%
12/15/2041	370,000	958,000		958,000	1,203,650	245,650	125.64%
12/15/2042	395,000	968,200		968,200	1,215,756	247,556	125.57%
12/15/2043	420,000	977,400		977,400	1,227,984	250,584	125.64%
12/15/2044	450,000	990,600		990,600	1,240,333	249,733	125.21%
12/15/2045	475,000	997,600		997,600	1,252,807	255,207	125.58%
12/15/2046	505,000	1,008,600		1,008,600	1,265,405	256,805	125.46%
12/15/2047	535,000	1,018,400		1,018,400	1,278,129	259,729	125.50%
12/15/2048	570,000	1,032,000		1,032,000	1,290,980	258,980	125.09%
12/15/2049	600,000	1,039,200		1,039,200	1,303,960	264,760	125.48%
12/15/2050	635,000	1,050,200		1,050,200	1,317,070	266,870	125.41%
12/15/2051	670,000	1,059,800		1,059,800	1,330,310	270,510	125.52%
12/15/2052	710,000	1,073,000		1,073,000	1,343,683	270,683	125.23%
12/15/2053	750,000	1,084,600		1,084,600	1,357,190	272,590	125.13%
12/15/2054	790,000	1,094,600		1,094,600	1,370,832	276,232	125.24%
12/15/2055	830,000	1,103,000		1,103,000	1,384,610	281,610	125.53%
12/15/2056	875,000	1,114,800		1,114,800	1,398,527	283,727	125.45%
12/15/2057	925,000	1,129,800		1,129,800	1,412,582	282,782	125.03%
12/15/2058	970,000	1,137,800		1,137,800	1,426,778	288,978	125.40%
12/15/2059	1,020,000	1,149,000		1,149,000	1,441,115	292,115	125.42%
12/15/2060	1,075,000	1,163,200		1,163,200	1,455,597	292,397	125.14%
12/15/2061	1,130,000	1,175,200		1,175,200	1,470,223	295,023	125.10%
	17,430,000	31,046,963	373,750	31,420,713	39,383,950	7,963,237	

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Bond Component	Maturity Date	Amount	Rate	Yield	Price
2061 Term Bond:					
	12/01/2061	17,430,000	4.000%	4.000%	100.000
2061 Term Bond:					
	12/15/2061	3,050,000	7.500%	7.500%	100.000
		20,480,000			

Dated Date	09/02/2031	
Delivery Date	09/02/2031	
Par Amount	20,480,000.00	
Original Issue Discount		
Production	20,480,000.00	100.000000%
Underwriter's Discount	-382,854.70	-1.869408%
Purchase Price	20,097,145.30	98.130592%
Accrued Interest		
Net Proceeds	20,097,145.30	

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
**** Preliminary ****

	Series 2031 Senior Bonds (Refunding)	Series 2031 Senior Bonds (New Money)	Series 2031 Subordinate Bonds (New Money)	Aggregate
Dated Date	09/02/2031	09/02/2031	09/02/2031	09/02/2031
Delivery Date	09/02/2031	09/02/2031	09/02/2031	09/02/2031
Last Maturity	12/01/2060	12/01/2061	12/15/2061	12/15/2061
Arbitrage Yield	4.666221%	4.666221%	4.666221%	4.666221%
True Interest Cost (TIC)	4.167436%	4.117465%	7.596702%	4.814352%
Net Interest Cost (NIC)	4.110470%	4.067164%	7.537083%	4.835472%
All-In TIC	4.293015%	4.205431%	7.723743%	4.933460%
Average Coupon	4.000000%	4.000000%	7.500000%	4.747012%
Average Life (years)	18.104	29.778	30.286	21.133
Duration of Issue (years)	12.287	17.525	12.255	12.982
Par Amount	15,300,000.00	2,130,000.00	3,050,000.00	20,480,000.00
Bond Proceeds	15,300,000.00	2,130,000.00	3,050,000.00	20,480,000.00
Total Interest	11,079,900.00	2,537,063.33	6,927,947.92	20,544,911.25
Net Interest	11,385,900.00	2,579,663.33	6,962,202.62	20,927,765.95
Total Debt Service	26,379,900.00	4,667,063.33	9,977,947.92	41,024,911.25
Maximum Annual Debt Service	1,063,800.00	1,175,200.00	3,278,750.00	4,453,950.00
Average Annual Debt Service	901,962.58	154,297.25	329,456.23	1,354,578.38
Underwriter's Fees (per $1000)				
Average Takedown	20.000000	20.000000		17.021484
Other Fee			11.231049	1.672593
Total Underwriter's Discount	20.000000	20.000000	11.231049	18.694077
Bid Price	98.000000	98.000000	98.876895	98.130592

Bond Component	Par Value	Price	Average Coupon	Average Life
2061 Term Bond	20,480,000.00	100.000	4.74701175%	21.133
	20,480,000.00			21.133

	TIC	All-In TIC	Arbitrage Yield
Par Value	20,480,000.00	20,480,000.00	20,480,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-382,854.70	-382,854.70	
- Cost of Issuance Expense		-300,000.00	
- Other Amounts			
Target Value	20,097,145.30	19,797,145.30	20,480,000.00
Target Date	09/02/2031	09/02/2031	09/02/2031
Yield	4.814352%	4.933460%	4.666221%

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Cost of Issuance	$/1000	Amount
Costs of Issuance	14.64844	300,000.00
	14.64844	300,000.00

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Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Underwriter's Discount	$/1000	Amount
Average Takedown	17.02148	348,600.00
Other Underwriter's Discount	1.67259	34,254.70
	18.69408	382,854.70

SUMMARY OF BONDS REFUNDED

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2026A-1 Senior Bonds (PID) (Actual), 2026_AT, 2055A_1:					
	12/01/2055	5.750%	13,150,000	09/02/2031	103.000
			13,150,000		

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Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
09/02/2031		191,131.60	13,150,000	394,500.00	13,735,631.60
12/01/2031	1,875,000	711,464.32		56,250.00	2,642,714.32
	1,875,000	902,595.92	13,150,000	450,750.00	16,378,345.92

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost
09/02/2031		16,378,345.92	16,378,345.92
	0	16,378,345.92	16,378,345.92

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
09/02/2031	13,735,631.60	16,378,345.92	2,642,714.32	2,642,714.32
12/01/2031	2,642,714.32		-2,642,714.32	
	16,378,345.92	16,378,345.92	0.00	

WELLS FARGO

Highlands PID
Heber City, Utah
Bond Capacity Analysis - 2031 Refunding and New Money
****** Preliminary ******

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Series 2031 Senior Bonds (Refunding), Global Proceeds Escrow:							
	16,378,345.92		0.000000%	0.000000%	16,348,381.12		29,964.80
	16,378,345.92				16,348,381.12	0.00	29,964.80

Delivery date	09/02/2031
Arbitrage yield	4.666221%

Property Owner Consent to Organization of
Proposed Tava-Highlands Public Infrastructure District Nos. 1-3 (the "Districts")

The undersigned, as the owner of record of property proposed to be included within the boundaries of the proposed Districts, hereby acknowledges that, pursuant to the Utah Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated (the "Act"), the Districts may be created only upon the filing of a petition signed by the owners of 100% of the property proposed to be included within the Districts.

The undersigned hereby consents to the creation of the Districts and executes this consent for the purpose of satisfying the petition requirement set forth in Section 17D-4-201 of the Act.

The undersigned further acknowledges and agrees that:

(a) the Districts are authorized under the Act to finance public infrastructure through the levy of assessments, property taxes, fees, and/or other charges as provided in the Act and the governing document of the Districts;

(b) property within the Districts may be subject to assessments and/or property taxes to pay all or a portion of the costs of public infrastructure and related financing, including the repayment of bonds or other obligations issued by the Districts;

(c) the undersigned waives any requirement for an election or protest proceeding to the extent permitted by law with respect to the creation of the Districts and the imposition of assessments, taxes, or other charges authorized by the Act; and

(d) this consent is irrevocable and shall be binding upon the undersigned and its successors and assigns.

[*Signatures on following page*]

Scott B Bishop

D.R. HORTON, INC., a Delaware corporation
as Property Owner of the Subject Property, (including Parcel Nos. 00-0022-0544, 00-0022-0545, 00-0022-0546)

Scott B Bishop
By: (Printed Name)

Vice President
Its: (Title)

STATE OF UTAH)

ss:)

COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this 14 day of MAY, 2026, by Scott B Bishop as Vice President of D.R. HORTON, INC., a Delaware corporation.

KELLEY ANNE REESE
Notary Public, State of Utah
Commission # 738987
My Commission Expires On
September 03, 2028

NOTARY PUBLIC

Residing at: UTAH County

My Commission Expires: September 3, 2028

EXHIBIT A
(Parcel Number and /or legal description)

Parcel Nos.
00-0022-0544
00-0022-0545
00-0022-0546

Property Owner Consent to Organization of
Proposed Tava-Highlands Public Infrastructure District Nos. 1-3 (the "Districts")

The undersigned, as the owner of record of property proposed to be included within the boundaries of the proposed Districts, hereby acknowledges that, pursuant to the Utah Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated (the "Act"), the Districts may be created only upon the filing of a petition signed by the owners of 100% of the property proposed to be included within the Districts.

The undersigned hereby consents to the creation of the Districts and executes this consent for the purpose of satisfying the petition requirement set forth in Section 17D-4-201 of the Act.

The undersigned further acknowledges and agrees that:

(a) the Districts are authorized under the Act to finance public infrastructure through the levy of assessments, property taxes, fees, and/or other charges as provided in the Act and the governing document of the Districts;

(b) property within the Districts may be subject to assessments and/or property taxes to pay all or a portion of the costs of public infrastructure and related financing, including the repayment of bonds or other obligations issued by the Districts;

(c) the undersigned waives any requirement for an election or protest proceeding to the extent permitted by law with respect to the creation of the Districts and the imposition of assessments, taxes, or other charges authorized by the Act; and

(d) this consent is irrevocable and shall be binding upon the undersigned and its successors and assigns.

[*Signatures on following page*]

FORESTAR (USA) REAL ESTATE GROUP INC., a Delaware corporation as Property Owner of the Subject Property, (including Parcel Nos. 00-0021-6813, 00-0022-0548, 00-0022-0547, 00-0022-2500, 00-0022-2501)

Justine C. Klinke
By: (Printed Name)

Vice President
Its: (Title)

Justine C. Klinke

STATE OF Tennessee)

ss:)

COUNTY OF Shelby)

The foregoing instrument was acknowledged before me this 22 day of May, 2026, by Justin Klinke as Vice President of FORESTAR (USA) REAL ESTATE GROUP INC., a Delaware corporation.

Drew Hancock

NOTARY PUBLIC

Residing at: Memphis, TN

My Commission Expires: 06/06/2028

EXHIBIT A
(Parcel Number and /or legal description)

Parcel Nos.
00-0021-6813
00-0022-0548
00-0022-0547
00-0022-2500
00-0022-2501

Ent 518203 Bk 1405 Pg 1517-1607
Date: 14-APR-2022 11:38:09AM
Fee: NoneFiled By: TC
MARCY M MURRAY, Recorder
WASATCH COUNTY CORPORATION
For: HEBER CITY

ORDINANCE NO. 2021-38

AN ORDINANCE APPROVING THE HIGHLANDS ANNEXATION LOCATED AT APPROXIMATELY 3000 NORTH HIGHWAY 40.

BE IT ORDAINED by the City Council of Heber City, Utah, the properties described in Exhibit A, as illustrated in Exhibit B, are hereby annexed into the City of Heber City, Utah, and the properties contained therein shall initially have the zoning designation of North Village Overlay Zone (NVOZ).

This Ordinance shall take effect immediately upon passage, but not prior to the execution of the Master Development Agreement illustrated in Exhibit C.

PASSED, APPROVED and ORDERED TO BE PUBLISHED BY THE HEBER CITY COUNCIL this 7th day of December 2021.

	AYE	NAY	ABSENT	ABSTAIN
Heidi Franco		X		
Wayne Hardman	X			
Rachel Kahler		X		
Michael Johnston	X			
Ryan Stack	X			

APPROVED:

Kelleen L. Potter

Mayor Kelleen L. Potter

HEBER CITY CORPORATE Seal WASATCH COUNTY UTAH

ATTEST:

Trina N Cooke Date: 12/7/2021

RECORDER

Ent 518203 Bk 1405 Pg 1518

WHEN RECORDED, RETURN TO:

Heber City
Attention: City Recorder
75 North Main Street
Heber City, Utah 84032

Tax Parcel Nos.:

(Space above for Recorder's use only.)

DEVELOPMENT AGREEMENT FOR THE HIGHLANDS MASTER PLANNED COMMUNITY

THIS DEVELOPMENT AGREEMENT FOR THE HIGHLANDS MASTER PLANNED COMMUNITY (this "**Agreement**") is made and entered in[to] as of the 7th day of December, 2021, by and between HEBER CITY, a political subdivision of the State of Utah (the "**City**"), and CARDINAL FUNDING, LLC, a Utah limited liability company ("**Cardinal Funding**"). Each of Cardinal Funding and the City are hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**."

RECITALS

A. The capitalized terms used in these Recitals are defined in Section 1.2, below.

B. Cardinal Funding is the owner of approximately 142.88 acres of undeveloped real property situated in Wasatch County, State of Utah, as more specifically described in **Exhibit A** attached hereto (the "**Property**"). This Agreement and the Masterplan meets the intent of and is guided by the Envision 2050 Heber General Plan.

C. On Dec. 7th, 2021, the City approved and adopted, a Master Plan for the Project, subject to the Parties entering into this Agreement and the agreeing to annexation of the Property into the City. Said Master Plan for the Property shall allow for mixed-used development, including residential, retail, restaurant, office, civic, recreational and open space uses, all as specified in the Master Plan.

D. Provision of infrastructure to the Property is vital to its development in accordance with the Master Plan and this Agreement, and, consistent with the foregoing, Cardinal Funding has prepared the Infrastructure Plan.

E. The City has adopted a new annexation boundary map and an annexation and policy plan according to the Utah Municipal Code. The annexation area includes the Property and other adjacent property. Cardinal Funding is willing to support and agree to the City's annexation plan, provided the City and Cardinal Funding can first agree on the terms and conditions under which the Property will be developed as outlined in this Agreement. Notwithstanding the above, Cardinal

Funding may not be the developer of the entire Property, but may sell or otherwise convey some or all the Property to one or more Persons who will undertake the actual development work (each a **"Developer"** and together, the **"Developers"**).

F. The Parties now desire to enter into this Agreement to establish and set forth the rights and responsibilities of Cardinal Funding and its successors in interest, including but not limited to, those developers, sub-developers and builders who will develop the Property as a cohesive master-planned community in accordance with the terms hereof, and to establish the rights and responsibilities of the City to annex the Property into the boundaries of Heber City and to authorize and regulate such development pursuant to the requirements of this Agreement.

G. The City Council has reviewed this Agreement and determined that it is consistent with the Act, the Zoning Ordinance and the Heber City General Plan, and that it provides for and promotes the health, safety, welfare, convenience, aesthetics, and general good of the community as a whole. The Agreement does not contradict, and specifically complies with, and is governed by Utah Code Ann Section 10-9a as provided for in section 4.5.5. The Parties understand and intend that this Agreement is a "development agreement" within the meaning of, and entered into pursuant to the terms of, the Act.

H. Cardinal Funding and the City have cooperated in the preparation of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Cardinal Funding hereby agree to the following:

TERMS

1. **Incorporation of Recitals and Exhibits/ Definitions.**

1.1 **Incorporation.** The foregoing Recitals and **Exhibits A** through **K** are hereby incorporated into this Agreement.

1.2 **Definitions.** Any capitalized term or phrase used in this Agreement has the meaning given to it below or in the section where the definition of such term is given.

1.2.1 **Act** means the Municipal Land Use, Development, and Management Act, Utah Code Ann. §§10-9a-101, *et seq.* (2008).

1.2.2 **Administrative Action** means and includes any amendment to the Exhibits to this Agreement or other action that may be approved by the Administrator as provided in Section 17.

1.2.3 **Administrator** means the Person designated by the City as the Administrator of this Agreement.

1.2.4 **Agreement** has the meaning set forth in the preamble and includes all Exhibits attached hereto.

1.2.5 **Public Gathering Areas** means any public owned area or public park identified on the Master Plan that is intended to provide services to the community at large, such that it would be considered to be a System Improvement.

1.2.6 **Applicant** means a Person submitting a Development Application, a Modification Application or a request for an Administrative Action.

1.2.7 **Assessment Area** means an area or areas created by the Special Service District pursuant to Utah Code Ann. § 11-42-101, *et seq.* (2008), or other applicable State Law, with the approval of Cardinal Funding and other Property Owners, if required, to fund the construction of some or all of the Backbone Improvements.

1.2.8 **Backbone Improvements** means those improvements shown as such in the Infrastructure Plan and which are, generally, infrastructure improvements that are intended to support the overall development of the Property and not merely a part of the development of any particular Subdivision or Commercial Site Plan. Backbone Improvements are generally considered to be in the nature of "System Improvements," as defined in Utah Code Ann. § 11-36a-101, *et seq.* (2008).

1.2.9 **Building Permit** means a permit issued by the City to allow construction, erection or structural alteration of any building, structure, private or public infrastructure, On-Site Infrastructure on any portion of the Project, or to construct any Off-Site Infrastructure.

1.2.10 **CC&R's** means one or more declarations of conditions, covenants and restrictions regarding certain aspects of design and construction on the Property recorded or to be recorded with regard to the Property or any part thereof, as amended from time to time.

1.2.11 **Capital Facilities Plan** means a plan adopted or to be adopted by the City in the future to substantiate the collection of Impact Fees as required by State law.

1.2.12 **City** means the City of Heber, a political subdivision of the State of Utah.

1.2.13 **City Consultants** means those outside consultants employed by the City in various specialized disciplines such as traffic, hydrology or drainage to review certain aspects of the development of the Project.

1.2.14 **City Updated North Village Street Master Plan** shall have the meaning provided in Paragraph 8.8.

1.2.15 **City Updated North Village Stormwater Master Plan** shall have the meaning provided in Paragraph 13.3.

1.2.16 **City's Future Laws** means the ordinances, policies, standards, procedures and processing fee schedules of the City that will be in effect as of a particular time in the future when a Development Application is submitted for a part of the Project and that may, in accordance with the provisions of this Agreement, be applicable to the Development Application.

1.2.17 **City's Vested Laws** means the ordinances, policies, standards, procedures and processing fee schedules of the City related to zoning, subdivisions, development, public improvements and other similar or related matters that are in effect as of the Effective Date.

1.2.18 **Commercial Site Plan** means a plan submitted to the City for the approval of the development of a portion of the Project that may include, without limitation, multiple buildings that are not intended to be on individual subdivision lots, multi-family residential buildings, shopping centers or similar multi-building developments or plans for other developments on the Project that are allowed under the applicable Zone.

1.2.19 **Council** means the elected City Council of the City.

1.2.20 **Default** shall have the meaning provided in Paragraph 15.

1.2.21 **Design Guidelines** means the guidelines attached as **Exhibit B**, which are the approved guidelines for certain aspects of the design and construction of the development of the Property, including setbacks, building sizes, open space, height limitations, parking and signage, and, the design and construction standards for buildings, roadways and infrastructure, as set forth in and adopted as part of this Agreement. The Parties acknowledge that given the size and long-term life of this Project, designs and styles will change over time. Accordingly, the Parties will work together in good faith to update the Design Guidelines in the future as market conditions evolve.

1.2.22 **Developer** shall have the meaning provided in Recital E.

1.2.23 **Development Application** means an application to the City for development of a portion of the Project, including a Subdivision Site Plan, a Commercial Site Plan, a Building Permit, improvement plans or any other permit, certificate or other authorization from the City required for development of the Project.

1.2.24 **Development Property** shall have the meaning provided in Section 24.1.

1.2.25 **Development Report** means a report containing the information specified in Section 3.4 submitted to the City by Cardinal Funding or any successor for the sale of any Parcel to a Developer, Sub-developer or Builder or the submittal of a Development Application by a Developer, Sub-developer or Builder pursuant to an assignment from Cardinal Funding.

1.2.26 **Development Unit** means either a commercial or residential use of property with respect to which an ERU calculation can be applied in accordance with this Agreement.

1.2.27 **Effective Date** means the date on which the later of both the following shall have occurred: the Parties have executed this Agreement and the City's annexation of the Property has been completed and takes effect pursuant to Utah Code Ann. §10-2-425.

1.2.28 **Eligible Improvements** shall have the meaning provided in Section 8.9.

1.2.29 **Development Entitlements** shall have the meaning provided in Section 3.1 of this Agreement.

1.2.30 **Equivalent Residential Unit (ERU)** means the residential density allocated to: (a) any given Residential Unit when measured against a single-family dwelling unit, which measure shall be determined pursuant to Section 18.21.020.2.2(2) of the City's Vested Laws; and (b) commercial ERUs will be calculated as provided in Section 18.21.020.2.2(2) of the City's Vested Laws. For purposes of clarity, the Parties agree that no ERUs shall be allocated to schools and churches.

1.2.31 **Final Plat** means the recordable map or other graphical representation of land prepared in accordance with Utah Code Ann. §10-9a-603, and approved by the City, effectuating a Subdivision of any portion of the Project.

1.2.32 **Highway 40** means a "state highway" type transportation corridor maintained by the Utah Department of Transportation that is located generally on the west boundary of the Property and referred to as U.S. Highway 40.

1.2.33 **Homeowners' Association(s)** means one or more associations formed pursuant to Utah law to perform the functions of an association of property owners.

1.2.34 **Impact Fees** means those fees, assessments, exactions or payments of money imposed by the City as a condition on development activity as specified in Utah Code Ann. §§ 11-36a-101, *et seq.*, (2008).

1.2.35 **Improved Open Space** means open space, including but not limited to that which has been improved with one or more of the following, as selected by the City Manager or his or her designee: first and foremost those amenities listed in the City's Park's Master Plan, churches, schools and associated lands, playgrounds, tennis courts, club houses, swimming pools, trail systems, trail heads, skate parks, volleyball courts, Public Gathering Areas or parks, sports fields, bathrooms, irrigated landscaping, associated paved parking for improved open space, pavilions, playgrounds, trailheads, drinking fountains, natural areas integrated with open spaces and park areas, or other improvements.

1.2.36 **Infrastructure Plan** means the conceptual infrastructure plan attached as **Exhibit C**, which is adopted simultaneously with this Agreement and shows the Backbone Improvements for the Property, including culinary water, secondary water, storm water, sanitary sewer and roads, as amended from time to time.

1.2.37 **Intended Uses** means the use of all or portions of the Project for single-family and multi-family residential units, hotels, restaurants, public facilities, businesses, commercial areas, professional and other offices, services, open spaces, parks, trails and other uses permitted in the Zoning Ordinance, Design Guidelines and as shown on the Master Plan.

1.2.38 **Master Plan** means the master plan attached as **Exhibit D**, which Master Plan is a conceptual/illustrative depiction of the presently anticipated development plan for the Property, which Master Plan may be modified from time-to-time by Cardinal Funding to respond to market, engineering and other development objectives. Notwithstanding the foregoing, in no event shall the Town Center, Public Gathering Areas be removed or relocated within the Master Plan without the prior written consent of the City.

1.2.39 **Moderate Income Housing** means housing occupied or reserved for occupancy by households with a gross household income equal to or less than 80% of the median gross income for households of the same size in Wasatch County, Utah; provided, however, with respect to twenty percent (20%) of the 67 ERUs worth of Moderate Income Housing in the Project that Cardinal Funding and/or Developers and/or Sub-developers are required to install (i.e. 14 ERUs of Moderate Income Housing), "Moderate Income Housing" shall mean housing occupied or reserved for occupancy by households with a gross household income equal to or less than 60% of the median gross income for households of the same size in Wasatch County, Utah.

1.2.40 **Modification Application** means an application to amend this Agreement (but not including those changes which may be made by Administrative Action).

1.2.41 **Mortgage** means (1) any mortgage or deed of trust or other instrument or transaction in which the Property, or a portion thereof or a direct or indirect ownership or other interest therein, or any improvements thereon, is conveyed or pledged as security, or (2) a sale and leaseback arrangement in which the Property, or a portion thereof, or any improvements thereon, is sold and leased back concurrently therewith.

1.2.42 **Mortgagee** means any holder of a lender's beneficial or security interest (or the owner and landlord in the case of any sale and leaseback arrangement) under a Mortgage.

1.2.43 **Neighborhood Park** means a park that is planned and designed as an amenity to serve and necessary for the use and convenience of a particular Subdivision or Commercial Site Plan (or a group of related Subdivisions or Commercial Site Plans). Neighborhood Parks are not System Improvements and shall be maintained by the applicable Homeowners' Association.

1.2.44 **Non-City Agency** means a governmental or quasi-governmental entity, other than those of the City, which has jurisdiction over the approval of an aspect of the Project.

1.2.45 **North Fields** means that certain real property located generally west of the Property and generally depicted on **Exhibit G** attached hereto.

1.2.46 **Notice** means any notice to or from any Party to this Agreement that is either required or permitted to be given to another Party.

1.2.47 **Off-Site Infrastructure** means the off-site public or private infrastructure, such as roads and utilities, specified in the Infrastructure Plan that is necessary for development of the Property but is not located on the portion of the Property that is subject to a Development Application.

1.2.48 **On-Site Infrastructure** means the on-site public or private infrastructure, such as roads or utilities, specified in the Infrastructure Plan that is necessary for development of the Property and is located on that portion of the Property that is subject to a Development Application.

1.2.49 **On-Site Retention/Detention** shall have the meaning provided in Paragraph 8.8.

1.2.50 **Open Space** means the following: the Town Center Plaza, all parks (regardless of size or type); pedestrian, bicycle, and equestrian trails and pathways; passive open spaces, water features, and natural habitat areas; parkways and commonly maintained natural or landscaped areas; sidewalks, street tree plantings and medians; ballfields and recreational spaces (including, without limitation, any such facilities provided by or upon a school or church site, excepting areas within building footprints

other than community gardens); drains and detention basins and swells, canals, protected slope areas, and any other quasi-public area that the City determines to be Open Space as a part of the approval of a Development Application. Open Space includes, but is not limited to, those areas identified as Open Space in the Master Plan.

1.2.51 **Outsourcing** means the process of the City contracting with City Consultants or paying overtime to City employees to provide technical support in the review and approval of the various aspects of a Development Application, as is more fully set out in this Agreement.

1.2.52 **Parcel** means an area identified on the Master Plan with a specific land use designation that is intended to be further subdivided for future development.

1.2.53 **Person** means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership, governmental authority or other entity.

1.2.54 **Phase** means the development of a portion of the Project.

1.2.55 **PID Act** shall have the meaning provided in Section 8.9.

1.2.56 **Planning Commission** means the City's Planning Commission.

1.2.57 **Project** means the mixed-used master planned community to be developed on the Property in accordance with this Agreement, including, without limitation, all associated public and private facilities, Intended Uses, Phases and all of the other aspects approved as part of this Agreement and the Master Plan.

1.2.58 **Project Park** means a park identified on the Master Plan that is intended to provide services to the community at large such that it would be considered to be a System Improvement.

1.2.59 **Property Owner or Property Owners** means Cardinal Funding and any other successor-in-interest to Cardinal Funding as an owner of the Property or any portion thereof, including but not limited to, Developers, Sub-developers and builders.

1.2.60 **Secondary Access Roads** means one of the three potential roads identified and generally depicted on **Exhibit E** attached hereto, any of which will provide the Project with secondary roadway access upon completion.

1.2.61 **Site Plan** means the plan submitted to the City for the first stage of the approval of a Subdivision or Commercial Development in accordance with the City's Vested Laws.

1.2.62 **Sub-developer** means any Person that obtains title to a Parcel from a Developer for development.

1.2.63 **Subdivision** means the division of any portion of the Project into a subdivision pursuant to State Law and/or the Zoning Ordinance.

1.2.64 **Subdivision Application** means the application to create a Subdivision.

1.2.65 **Subdivision Site Plan** means the plan submitted with a Subdivision Application.

1.2.66 **System Improvement** means those elements of infrastructure that fall within the definition of System Improvements pursuant to Utah Code Ann. §11-36a-102(21). For purposes of this Agreement, Cardinal Funding and the City agree that the expansion of the UVU Access Road and the installation of the NE Collector Road are System Improvements.

1.2.67 **Town Center Plaza** means the pedestrian plaza, park and other gathering spaces that are located in or adjacent to the Town Center shown on the Master Plan, which shall consist of private Open Space and Improved Open Space and amenities that encourage public gatherings and shall be open and accessible to the public as the guests and invitees of the owners of the Town Center.

1.2.68 **UVU Access Road** means College Way, from its point of origin at Highway 40 and terminating at its intersection with the proposed minor collector road to be installed in connection with the development of the Project and located East of the Wasatch Canal.

1.2.69 **Zone** means the City's North Village Overlay District Zone.

1.2.70 **Zoning Ordinance** means the City's Land Use and Development Ordinance adopted pursuant to the Act that is in effect as of the Effective Date.

2. **Development of the Project.** Development of the Project shall be in accordance with this Agreement, the City's Vested Laws and the City's Future Laws as expressly set forth in this Agreement. The Parties acknowledge and agree that if there is a conflict with this Agreement and the City's current or future laws, then this Agreement shall supersede.

3. **Development of the Property in Compliance with the Master Plan.**

3.1 **Project Density.** Except as may be otherwise augmented hereinafter, Property Owners shall be entitled to and are vested with the right to develop and construct 670 ERUs on the Property consistent with the Intended Uses specified in the Zoning Ordinance and generally identified on the Master Plan (collectively, the "**Base Density Entitlements**"). The Base Density Entitlements represent the base

density allocation per gross acre allowed by the City's Vested Laws and have been approved pursuant to the City's review of the Master Plan in accordance with the requirements of the North Village Overlay District Zone. In addition to the Base Density Entitlements, Property Owners shall be entitled to and are vested with the right to develop and construct an additional 67 ERUs on the Property consistent with the Intended Uses specified in the Zoning Ordinance and generally identified on the Master Plan (collectively, the "**Bonus Density Entitlements**," and together with the Base Density Entitlements, the "**Development Entitlements**"), which reflects a ten percent (10%) increase in base density granted by reason of the Moderate Income Housing requirements imposed pursuant to this Agreement.

3.2 **Intended Uses by Parcel and Densities.** Intended Uses and Densities currently contemplated for each Parcel are shown on the Master Plan for the Property, which plan has been prepared in compliance with the requirements of the Heber City ordinances set forth in Section 17.20.010 of the City's Vested Laws.

3.3 **Use of Density.** Notwithstanding the maximum gross density permitted under the Zone, Cardinal Funding may allocate the Development Entitlements among any Subdivision or any Commercial Site Plan within the Project; provided, however, Cardinal Funding shall allocate or cause to be allocated the Bonus Density Entitlements within the parameters set forth on Schedule 3.3 attached hereto.

3.4 **Accounting for Density for Parcels Sold to Sub-developers.** In connection with the sale of any Parcel sold by Cardinal Funding to a Developer or Sub-developer, Cardinal Funding shall provide the City with a written document specifying the identity of the Person to whom the Parcel is sold, the allocation, if any, of any Development ERUs associated with such Parcel, and the Open Space requirements and/or obligations associated with such Parcel. In connection with the recordation of a Final Plat or other document of conveyance for any Parcel sold to a Developer or Sub-developer, Cardinal Funding shall provide the City Recorder with a development report (a "**Development Report**") identifying the Parcel(s) sold, the Residential Development ERU and/or other type of use or Development Unit allocated with the Parcel(s), the Development ERU remaining with Cardinal Funding and any material effects of the sale on the Master Plan.

3.4.1 Return of Unused Density. If a Developer or Sub-developer cannot or does not utilize all of the Development ERU allocated to it in connection with the transfer of one or more Parcels at the time the Developer or Sub-developer receives approval for the final Development Application for such transferred Parcel(s), the unused Development ERU shall automatically revert back to Cardinal Funding. Such Development ERU shall be accounted for in any subsequent Development Report that Cardinal Funding, or any of its successors in interest may be required to file with the City Recorder.

3.5 **Parcel Sales.** The City acknowledges that the precise location and details of the public improvements, lot layout and design and any other similar item

regarding the development of a particular Parcel may not be known at the time of the sale of a Parcel. The City acknowledges that Property Owners may seek and obtain approval of a portion of the Parcel without providing such detailed development information, subject to the specific "Parcel Sales" provisions of Section 5.15.

3.6 **Moderate Income Housing Requirements.** Cardinal Funding shall comply or shall cause Developers and/or Sub-developers to comply with the City's adopted Moderate Income Housing Ordinance & Plan (Ordinance 2018-31), adopted August 16, 2018, which requires the Project to develop not less than 67 ERUs of Moderate Income Housing in the Project. Moderate Income Housing ERUs constructed within the Project, which shall include student and work force housing, shall not be counted against the Development Entitlements approved for the Project pursuant to this Agreement. Cardinal Funding and the Developers and Sub-developers shall take into consideration any Moderate Income Housing units when planning and constructing infrastructure within the Project. Cardinal Funding shall reasonably disperse the Moderate Income Housing units throughout the multi-family and townhome portions of the Project and within such multi-family and townhome phases of the Project. Cardinal Funding shall also be entitled to allocate any such Moderate Income Housing requirements to Developers and/or Sub developers as Cardinal Funding may elect. The Moderate Income Housing ERUs shall be developed on a proportional basis with the development of each one hundred (100) market rate ERUs; provided, Developer shall be allowed to construct not less than one hundred-fifty (150) market rate ERUs prior to constructing the first Moderate Income Housing ERU. For example, from and after the 151st market rate ERU, Developer shall be required to develop not less than fifteen (15) Moderate Income Housing ERUs prior to the completion of the next one hundred (100) market rate ERUs in the Project. Developer and the City shall follow and comply with any deed restrictions as outlined in the Moderate Income Housing Ordinance & Plan. Payment of a fee in lieu to fulfil the requirements of the Moderate Income Housing Ordinance & Plan is not an option, unless specifically agreed to by the City.

3.6.1 Allocation of Moderate Income Housing. As set forth in summary on Schedule 3.6 attached hereto, Twenty percent (20%) of the ERUs constructed as Moderate Income Housing in the Project shall be deed restricted and preserved in perpetuity for those income qualified at 60% of the Average Medium Income for Wasatch County, Utah. The balance of the ERUs constructed as Moderate Income Housing in the Project shall be deed restricted and preserved in perpetuity for those income qualified at 80% of the Average Medium Income for Wasatch County, Utah. Not less than twenty-five percent (25%) of the ERUs constructed as Moderate Income Housing in the Project and preserved in perpetuity for those income qualified at 60% of the Average Medium Income for Wasatch County shall be "for sale" product. Not less than twenty-five percent (25%) of the ERUs constructed as Moderate Income Housing in the Project and preserved in

perpetuity for those income qualified at 80% of the Average Medium Income shall be "for sale" product.

3.6.2 Rights of First Offer. With regard to the Moderate Income Housing ERUs subject to the eighty percent (80%) AMI deed restriction, subject to the applicable parties thereto reaching agreement following good faith negotiations as to the specific terms pursuant to which a right of first offer is granted, Cardinal Funding shall grant or cause the applicable Developers and/or Sub-developers to grant to the following entities in descending order of priority a right of first offer to master lease or purchase, as applicable, Moderate Income Housing constructed and operated as student housing and available within the Project for rent or sale, as applicable, to income qualifying students enrolled at Utah Valley University's satellite campus located just north of the Project: Utah Valley University ("**UVU**"), the City, the Wasatch County School District (the "**District**") and Wasatch County (the "**County**"). With regard to the Moderate Income Housing ERUs subject to the sixty percent (60%) AMI deed restriction, subject to the applicable parties thereto reaching agreement following good faith negotiations as to the specific terms pursuant to which a right of first offer is granted, Cardinal Funding shall grant or cause the applicable Developers and/or Sub-developers to grant to the following entities in descending order of priority a right of first offer to master lease or purchase, as applicable, Moderate Income Housing constructed and operated as anything other than student housing and available within the Project for rent or sale to income qualifying households otherwise meeting the requirements of this Agreement: the City, the Wasatch County School District (the "District") and Wasatch County (the "County"). In the event UVU, the City, the District, and the County do not exercise their respective first rights, the applicable Moderate Income Housing ERUs may be sold or rented, as the case may be to members of the general public meeting the income qualification requirements, employed in Wasatch County and living or desiring to live in Wasatch County.

3.7 **Town Center.** The Master Plan identifies an area in the Project as the Town Center. The Town Center may have a variety of residential, non-residential, commercial, or mixed residential uses, which may include retail, restaurants, food service, schools, hotels, churches, parks, club amenities, community centers and gathering places. While the timing of the Town Center's construction is market driven and uncertain, Cardinal Funding agrees that it shall mass grade and extend utilities to the Town Center in connection with the construction of Commons Boulevard, which will be constructed in connection with Phase Two of the Project and shall be sized to accommodate not less than 96,000 square feet of commercial space. All such specific land use designs or plans of any Town Centers or Public Gathering Areas shall be subject to and require final approval of the City.

3.8 **Secondary Access**. Cardinal Funding shall cause one of the proposed Secondary Access Roads to be completed in connection with the first phase of the

Project, which Secondary Access Roads shall satisfy the requirements of the City and the Wasatch County Fire Service District with respect to adequate ingress and egress for the Project.

4. **Zoning and Vested Rights.**

4.1 **Compliance with City Requirements and Standards.** Developer and Owners expressly acknowledge that nothing in this Agreement shall be deemed to relieve Developer or any Continuing or Successor Owner from its obligations to comply with all applicable requirements of the City necessary for approval and recordation of subdivision plats and site plans for the Project, including the payment of unpaid fees, the approval of subdivision plats and site plans, the approval of building permits and construction permits, and compliance with all applicable ordinances, resolutions, policies and procedures of the City except as otherwise provided in this agreement.

4.2 **Current Zoning.** Concurrently with its execution of this Agreement, the City has annexed the Project to the City and zoned the Property under the North Village Overlay District Zone. The North Village Overlay District Zone (Section 18.21.010 and Section 18.21.060 of the Heber City Code) was approved by the Council on March 16, 2021.

4.3 **Vested Rights Granted by Approval of this Agreement.** To the maximum extent permissible under the laws of Utah and the United States and at equity, this Agreement vests Cardinal Funding with all rights to develop the Project in accordance with this Agreement and the Development Entitlements without modification or interference by the City, except as specifically provided herein. The Parties intend that the rights granted to Cardinal Funding under this Agreement are contractual and that Cardinal Funding and Heber City shall also have those rights that exist under statute, common law and at equity. The Parties specifically intend that this Agreement and the Development Entitlements granted to Property Owners are "vested rights" as that term is construed in Utah's common law and pursuant to Utah Code Ann. §10-9a-509 (2008).

In addition, the Property, and all portions thereof, shall be developed in accordance with the City's Vested Laws, together with the requirements set forth in this Agreement, in accordance with the following terms and conditions:

4.3.1 City's Future Laws. Neither the City nor any agency of the City, unless otherwise required by State or Federal law, shall impose upon the Project any ordinance, resolution, rule, regulation, standard, directive, condition or other measure or City's Future Law that reduces the development rights provided by this Agreement or by the Development Entitlements. Without limiting the generality of the foregoing, any City's Future Law shall be deemed to conflict with this Agreement and/or the Development Entitlements if it would accomplish any of the following results in a manner inconsistent with or more restrictive than the City's

Vested Law, either by specific reference to the Project or as part of a general enactment that applies to or affects the Project:

4.3.1.1. limit or reduce the Development Entitlements authorized under this Agreement;

4.3.1.2. change any land uses or permitted uses of the Project;

4.3.1.3. limit or control the rate, timing, phasing or sequencing of the approval, development or construction of all or any part of the Project in any manner; or

4.3.1.4. apply to the Project any City's Future Law otherwise allowed by this Agreement that is not uniformly applied on a City-wide basis to all substantially similar types of development projects and project sites with similar land use designations.

4.4 **Invalidity.** If any of the City's Vested Laws are declared to be unlawful, unconstitutional or otherwise unenforceable, then Property Owners shall cooperate with the City in adopting and agreeing to comply with a new enactment by the City which is materially similar to any such stricken provisions and which implements the intent of the Parties in that regard as manifested by this Agreement.

4.5 **Exceptions.** The restrictions on the applicability of the City's Future Laws to the Project as specified in this Section are subject to only the following exceptions,

4.5.1 Compliance with State and Federal Laws. City's Future Laws that are generally applicable to all properties in the City and that are required to comply with State and Federal laws and regulations affecting the Project;

4.5.2 Safety and Construction Code Updates. City's Future Laws that are updates or amendments to subdivision standards, building, plumbing, mechanical, electrical, dangerous buildings, drainage, Heber City Engineering Standards and Specifications or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet compelling concerns related to public health, safety or welfare. Notwithstanding the forgoing, the City shall not be entitled to change the street standards set forth in Section 8.8 of this Agreement. In the event that a City safety, or construction code or requirement does not exist for a proposed improvement, the City shall have 45 days to approve an applicable City wide requirement.

4.5.3 Taxes. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, and Persons similarly situated.

4.5.4 Fees. Changes to the amounts of fees (but not changes to the times provided in the City's Vested Laws for the imposition or collection of such fees) for the processing of Development Applications that are generally applicable to all development within the City (or a portion of the City as specified in the lawfully adopted fee schedule) and which are adopted pursuant to State law.

4.5.5 Countervailing, Compelling Public Interest. Laws, rules or regulations that the City's land use authority finds, on the record, are necessary to avoid jeopardizing a compelling, countervailing public interest pursuant to Utah Case Law and Utah Code Ann. §10-9a-509(1)(a)(ii)(A).

4.6 **Term of Agreement.** The term of this Agreement shall commence on the Effective Date and continue for a period of fifteen (15) years (the "**Term**"), unless it is terminated in accordance with Section 27. The Term may, at Cardinal Funding's option, be extended for one (1) additional five (5) year period, provided Cardinal Funding is not in material default of any provisions of this Agreement and after providing the City with written notice not less than six (6) months prior to the scheduled expiration date. Unless otherwise agreed between the Parties, Cardinal Funding vested rights and interests set forth in the Agreement shall expire at the end of the Term, or as the Term may be extended by the Parties. Upon termination of this Agreement for any reason, the obligations of the Parties to each other created under this Agreement shall terminate, but none of the licenses, building permits, or certificates of occupancy granted prior to the expiration of the Term or termination of this Agreement shall be rescinded or limited in any manner, nor will any rights or obligations of Property Owners or the City intended to run with the land be terminated.

4.7 **Moratorium.** In the event the City imposes by ordinance, resolution, initiative or otherwise a moratorium or limitation on the issuance of building permits or the regulatory approval and review of subdivisions for any reason, the Property and the Project shall be excluded from such moratorium or limitation unless the City demonstrates that it is necessary to include the Project within such moratorium or limitation due to circumstances constituting a compelling public interest to protect the health, safety, or welfare of the residents of the City and the moratorium is applied to the entire City. Moreover, such moratorium or limitation shall only apply to portions of the Project for which Property Owners (or their assignee(s), if applicable) have neither applied for nor obtained any building permits, unless a different result is required under applicable state law. In the event any such moratorium applies to the Project, the City shall inform Cardinal Funding of the City's requirements for ending the moratorium with regard to the Project and shall provide the City's reasonable estimate of the duration of such moratorium.

5. **Approval Processes for Development Applications.**

5.1 **Phasing.** The City acknowledges that Cardinal Funding, Developers, and Sub-developers who have purchased Parcels of the Property may submit multiple applications from time to time to develop and/or construct portions of the Project in phases.

5.2 **Processing Under City's Vested Laws.** Approval processes for Development Applications shall be governed by the City's Vested Laws, except as otherwise provided in this Agreement. Development Applications shall be approved by the City if they comply with and conform to this Agreement and the Development Entitlements in accordance with and as governed by the process provided in **Exhibit F**.

5.3 **City's Cooperation in Processing Development Applications.** The City shall cooperate reasonably in promptly and fairly processing Development Applications properly completed and accompanied by the appropriate fees, and documents.

5.4 **Outsourcing of Processing of Development Applications.** The City anticipates Outsourcing all planning and engineering reviews for the Project. Any reviews that are outsourced shall be subject and pursuant to the City approved outsourcing process and procedures.

5.5 **Selection of City Consultants for Review of Applications.** The City Consultant undertaking any review by the City required or permitted by this Agreement or the Zoning Ordinance shall be selected by the City as otherwise allowed by City ordinances or regulations. In the event the Applicant notifies the City in writing that it has a conflict with or an objection to the consultant, the City will meet and confer with the Applicant to discuss the Applicant's objections. In the event the City determines, in its sole discretion, there is a need to appoint another Consultant, the City will not select a Consultant that is reasonably opposed by the Developer.

5.6 **Non-City Agency Reviews.** If any aspect or a portion of a Development Application is governed exclusively by a Non-City Agency, an approval for these aspects does not need to be submitted by Applicant for review by any body or agency of the City. Notwithstanding the above, the Applicant shall timely notify the City of any such submittals and promptly provide the City with a copy of the requested submissions, approvals and/or denials.

5.7 **Acceptance of Certifications Required for Development Applications.** Any Development Application, improvement plans, construction testing and oversite requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying

that the contents of the Development Application comply with the applicable regulatory standards of the City. Upon such a finding, the City will thereafter accept the application for review. It is not the intent of this Section to preclude the normal process of the City's ability to determine the completeness or "redlining", commenting on or suggesting alternatives to the proposed designs or specifications in the Development Application. Generally, the Development Applicant shall provide the City with a complete set of plans at the outset of the Application process and to that end, the City should endeavor to make all of its redlines, comments or suggestions at the time of the first review of the Development Application unless changes to the Development Application raise new issues that need to be addressed.

5.8 **Additional Expert Review or Special Technical Review for Development Applications.** If the City, notwithstanding such a certification by Applicant's experts, subjects the Development Application to a review by City Consultants for an Application that is beyond or outside the normal subdivision application, the cost of such additional review shall be paid as set forth in the balance of this paragraph. If the City Consultants determine that the Applicant's expert certification was materially correct, then the City shall bear the cost of the additional review. If the City Consultants determine that the City's requirement of a review was reasonable and made in good faith, then payment of the reasonable and actual costs of the City Consultants' review shall be the responsibility of Applicant. If the City needs technical expertise beyond the City's internal resources to determine impacts of a Development Application which are not required by the City's Vested Laws to be certified by such experts as part of a Development Application, the City may engage such experts as City Consultants with the actual and reasonable costs being the responsibility of Applicant so long as the City provided Cardinal Funding with at least fifteen (15) business days' advance notice before engaging such experts.

5.9 **City Denial of a Development Application.** If the City denies a Development Application, the City shall provide a written determination to the Applicant of the reasons for denial, including specifying the reasons the City believes that the Development Application is not consistent with this Agreement and/or the City's Vested Laws (or, to the extent applicable in accordance with this Agreement, the City's Future Laws).

5.10 **Meet and Confer regarding Development Application Denials.** The City and Applicant shall meet within fifteen (15) business days of any Denial to resolve the issues specified in the Denial of a Development Application.

5.11 **City Denials of Development Applications Based on Denials From Non-City Agencies.** If the City's denial of a Development Application is based on the denial of the Development Application by a Non-City Agency, Applicant shall appeal any such denial through the appropriate Non-City Agency procedures for such a decision and not through the processes specified below.

5.12 **Mediation of Development Application Denials.**

5.12.1 **Issues Subject to Mediation**. Issues resulting from the City's Denial of a Development Application shall be mediated.

5.12.2 **Mediation Process.** If the City and an Applicant are unable to resolve a disagreement subject to mediation, the Parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the issue, or general knowledge of the subject matter in dispute. If the Parties are unable to agree on a single acceptable mediator, each shall, within ten (10) business days, appoint its own representative. These two representatives shall, between them, choose a single mediator. Cardinal Funding and the City shall share equally in the cost of the chosen mediator. The chosen mediator shall, within fifteen (15) business days or as promptly thereafter as is feasible, review the positions of the Parties regarding the mediation issue and promptly attempt to mediate the issue between the Parties.

5.13 **Arbitration of Development Application Objections.**

5.13.1 **Issues Subject to Arbitration.** Issues regarding the City's Denial of a Development Application that are not resolved by mediation are subject to arbitration.

5.13.2 **Mediation Required Before Arbitration.** Prior to any arbitration, the Parties shall first attempt mediation as specified in Sections 5.12.

5.14 **Arbitration Process.** If the City and an Applicant are unable to resolve an issue through mediation, the Parties shall attempt, within ten (10) business days, to appoint a mutually acceptable expert in the professional discipline(s) of the issue in question. If the Parties are unable to agree on a single acceptable arbitrator, each shall, within ten (10) business days, appoint its own individual appropriate expert. These two experts shall, between them, choose the single arbitrator. The City and the Applicant shall share equally in the cost of the chosen arbitrator. The chosen arbitrator shall, within fifteen (15) business days, review the positions of the Parties regarding the arbitration issue and render a decision. The arbitrator shall ask the prevailing Party to draft a proposed order for consideration and objection by the other side. Upon adoption by the arbitrator, and consideration of such objections, the arbitrator's decision shall be final and binding upon both Parties. If the arbitrator determines as a part of the decision that either Party's position was not only incorrect but was also maintained unreasonably and not in good faith, then the arbitrator may order such Party to pay the other Parties' Applicant's share of the arbitrator's fees. Default by either Party is described in Section 15 of this Agreement.

5.15 **Parcel Sales.** Cardinal Funding and its successors may sell portions of the Property in a manner that does not create individually developable lots pursuant to a conveyance by metes and bounds meeting the requirements of Section 10-9a-103(65)(c)(v) of the Utah Code. Such sales shall not be subject to any requirement

to complete or provide security for any On-Site Infrastructure or Off-Site Infrastructure at the time of such sale. The responsibility for completing and providing security for completion of any On-Site Infrastructure or Off-Site Infrastructure in the Parcel shall be that of the Developer or a Sub-developer thereof upon a subsequent subdivision or re-Subdivision of the Parcel that creates individually developable lots.

6. **Application Under City's Future Laws.** Without waiving any rights granted by this Agreement, an Applicant may at any time, choose to submit a Development Application for some or all of the Project under the City's Future Laws in effect at the time of the Development Application. Any Development Application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws applicable to that Development Application, subject however to the provisions of this Agreement. The election by Property Owners at any time to submit a Development Application under the City's Future Laws shall not be construed to prevent Applicants from relying on submitting other Development Applications under the City's Vested Laws.

7. **Open Space, Improved Public Parks, and Trails Requirements.** Cardinal Funding shall provide Open Space within the Property as generally shown on the Master Plan, which shall be comprised of not less than the Zone requirement of 43.47 acres, some of which (approximately 4.85 acres) Cardinal Funding shall dedicate and convey or cause to be dedicated and conveyed to the City, or other entity approved by the City. The Open Space provided shall be consistent with the Park Trails and Natural Preservation Exhibit of the NVOZ. Open Space and park areas shown on the Master Plan are for illustrative purposes only and subject to change. Final plans for these areas shall be reviewed by the City's Open Space, Trails, Parks and Trees Advisory Committee and shall comply with the requirements of the City's Parks Master Plan and NVOZ. The Parties intend that the creation of Open Space will generally maintain a pro rata relationship between the amount of land being developed with a Development Application and the total acreage designated for Open Space. However, Cardinal Funding shall be entitled to allocate Open Space requirements to Developers and Sub-developers as portions of the Property are sold, as Cardinal Funding may elect, provided Cardinal Funding is able to demonstrate to the City's reasonable satisfaction that the overall Open Space requirements will be met. City Approval of Development Applications for each separate Parcel shall include as a requirement that the Applicant donate, designate and dedicate the land required for Open Space as provided in this Agreement, including the Design Guidelines. Any such designation and dedication shall include adequate assurances to the City that the land so designated can and will be used for the dedication and/or construction of any required improvements on the planned Open Space. The classification of a Parcel or a portion of a Subdivision or Commercial Site Plan as Open Space shall be irrespective of whether the land is dedicated to the public, owned by a private entity or by a Homeowners' Association. The donation of land by a Property Owner for a church, school or other public service shall be counted for Open Space. Open Space within the Project may be owned by a Homeowners' Association or may be dedicated to the City, a third party or as otherwise agreed in writing by the Parties. Cardinal Funding, Developer or Sub-developers shall be required to dedicate to the City, approximately 4.85 acres of total Improved Open Space for the Project Park. Such Improved Open Space shall be a part of the Open Space required to be dedicated or conveyed to the City or other entity approved by the City. A buffer compliant with the requirements of the NVOZ shall be preserved along the east side of Highway 40 on both the North and South sides of Commons Boulevard.

Privately owned lots of residential dwellings shall not be considered as open space. Any other open space that may be privately owned shall be open to public access. All open space, whether privately owned or public, shall be accessible to the public.

7.1 **Development Timing: Open Space, Neighborhood Parks, and Trails.** Neighborhood Parks and Trails shall be constructed and developed concurrently with the respective development of the residential or commercial Phase within which said parks or trails are located. The City shall not be obligated to finally accept and place into warranty any public improvements located within or constructed in conjunction with the development of a particular Phase until the parks and trails located within such Phase have been constructed or the City has received an improvement completion assurance in the form of either a cash escrow deposit, a letter of credit or such other form of completion assurance as may then be accepted by the City with respect to such parks and trails meeting the requirements of Section 10-9a-604.5 of the Utah Municipal Land Use Development Management Act. If a particular park or trail is to be completed utilizing financing provided by a PID or CRA, the time frame for completing the applicable park or trail may be adjusted pursuant to a separate agreement between the Parties particular to the completion of such park or trail.

7.2 **Neighborhood Parks.** Developer and Sub-developers shall locate and construct Neighborhood Parks within the subdivisions and neighborhoods so that they specifically serve such subdivisions/neighborhoods. Neighborhood Parks shall be designed, developed and constructed by Developers or Sub-developers and shall be conveyed to and owned and maintained by private Homeowners' Associations. Neighborhood Parks may include Open Space, and Improved Open Space sized and developed for the neighborhood. They will be constructed by the Developer as part of the neighborhood phasing plan. Neighborhood Parks shall be managed and maintained by private Homeowners' Association.

7.3 **Notice to the City**. Upon the initial filing of a Development Application in which Open Space is located, the Applicant shall provide written Notice to the City of its intent to dedicate the proposed parcels of Open Space as a part of the final recorded instrument approving the Development Application. Within sixty (60) days of receipt of the Notice, the City shall inform the Applicant of whether the City intends to accept dedication of the Open Space. If the City does not intend to accept dedication of the Open Space, the City shall notify Applicant of its decision. The City's notification that it does not intend to accept dedication of the Open Space shall constitute a waiver of its right to receive an outright conveyance of fee title to that parcel. If the City does not accept dedication of the Open Space for any reason, such Open Space shall be offered to a conservation organization, a Homeowners' Association or another entity reasonably acceptable to the City.

7.4 **Dedication of Open Space, the Project Park, Public Gathering Areas and/or Trails**. Dedication of Open Space, the Project Park, Public Gathering Areas and/or Trails to the City shall be by plat recordation or by dedication by deed from the applicable Property Owner which shall be without any financial encumbrance

or other encumbrance (including easements) which unreasonably interferes with the use of the property for Open Space, public park purposes and/or Trails; provided, however, use of such spaces for athletic fields and events shall be expressly prohibited. In the event trails are established solely for the internal use by residents or Homeowners' Association, no public easement shall be granted by Cardinal Funding or any other Property Owner.

7.5 **Project Park.** Cardinal Funding shall construct or cause to be constructed the Project Park within the Development, as shown in **Exhibit H**. Construction of the Project Park shall not commence until the City has approved the final plan for the Project Park. The Project Parks shall be designed, developed and constructed by Cardinal Funding, Developers or Sub-developers as part of the first residential Phase constructed within the Project, but shall be approved and maintained by the City, or another agency designated by the City, and shall be open to the public. Where permissible by law, the costs to develop and construct the Project Park shall be reimbursed to Cardinal Funding or the applicable Developer or Sub-developer, as identified in the Capital Facilities Plan. The Project Park shall facilitate connection with and include, as applicable, the trails identified in City's Parks and Trails Master Plan.

7.6 **Maintenance of Open Space, The Project Park, Public Gathering Areas and/or Trails**. Except as otherwise specifically provided in this Agreement, upon acceptance by the City of the proffered Open Space, the Project Park, the Public Gathering Areas and/or Trails and after formal possession, the City shall be responsible for maintaining the Open Space, the Project Park, Public Gathering Areas and/or Trails after final inspection and acceptance of the applicable improvements included therein, if any. The City agrees that it will not unreasonably withhold, condition or delay its inspections or acceptance of the improvements constructed within the Project. If the Open Space, the Project Park, the Public Gathering Areas and/or Trails are dedicated to an entity other than the City, the dedication shall provide for the maintenance of the applicable Open Space, the Project Park, the Public Gathering Areas and/or Trails.

7.7 **Tax Benefits**. The City acknowledges that Property Owners may seek to qualify for certain tax benefits by reason of conveying, dedicating, gifting, granting or transferring Open Space and/or Trails to the City or to a charitable organization. Property Owners shall have the sole responsibility to claim and qualify for any tax benefits sought by Property Owners by reason of the foregoing. The City shall reasonably cooperate with Property Owners to the maximum extent allowable under law to allow Property Owners to take advantage of any such tax benefits.

7.8 **North Fields Preservation**. Cardinal Funding, for itself and with respect to each subsequent Owner of the Property, agrees that upon issuance of a building permit for a Development Unit, the Owner of such Development Unit shall pay to the City a fee equal to $2,500 per ERU or partial ERU attributable to such Development Unit (the "**North Fields Preservation Fee**"). The City shall utilize funds collected pursuant to the North Fields Preservation Fee solely for the purpose

of preserving open space in the North Fields, including purchase of development rights. The City agrees that the North Fields Preservation Fee shall not be charged for Development Units constructed and operated as Moderate Income Housing Units.

8. **Public Improvements.**

8.1 **Utilities and On-Site Infrastructure.** The City acknowledges that Cardinal Funding has prepared an Infrastructure Plan. The Parties acknowledge that there will be a Capital Facilities Plan for the Public Infrastructure approved and adopted by the City. The Property Owners shall have the responsibility and obligation, to construct and fund, or cause to be constructed and installed, in phases, the On-Site and Off-Site Infrastructure according to the Capital Facilities Plan that is necessary to support the development proposed within a specific Development Application. If any Property Owners elect to construct any On-Site Infrastructure or Off-Site Infrastructure required by the Capital Faculties Plan as a condition of approval of a Development Application, the Property Owner shall pay the cost thereof, subject to its reimbursement rights set forth in Section 8.2. The City shall comply with the statutory processes and all other applicable laws, rules, and regulations governing such work. Parties contemplate that each Phase will be served by sanitary sewer, culinary water and secondary irrigation systems provided by others.

8.2 **Excess Improvements/Upsizing.** Any infrastructure requested by the Developer or required by the Development shall be the responsibility of the Developer. The City and Cardinal Funding acknowledge and agree that, as a part of the Capital Facilities Plan, certain portions of the infrastructure improvements shown on the Capital Facilities Plan (including both On and Off-site Infrastructure) may need to be enlarged, increased or otherwise "upsized" or upgraded (collectively, the "**Excess Improvements**") at the request of the City or other responsible Non-City Agency to serve, directly or indirectly, developments or future developments on land areas outside of the Project's boundaries or owned by parties other than Property Owners (collectively, the "**Benefitted Property**"). In recognition of the foregoing, and as a material inducement to the execution of this Agreement by Cardinal Funding:

8.2.1 **Reimbursements.** The City agrees that it shall reimburse the applicable Property Owners for, or to the extent permissible under then-applicable law and as identified in the approved Capital Facilities Plan, costs incurred by the applicable Property Owners in the construction of Excess Improvements. Subject to the City's approval, Property Owners may, from time to time, oversize and/or install and construct portions of the infrastructure specified in the Infrastructure Plan that are System Improvements. The City shall ensure that Property Owners, as applicable, are reimbursed for actual costs from Impact Fees for oversizing. City shall also make available reimbursement/pioneering agreements to reimburse

Property owners-for installing Off-site System Improvements to serve their property as required by State law.

8.2.2 **Building Fee and Impact Fee Credits.** To the extent that any reimbursements paid to a Property Owner pursuant to the Reimbursement Procedures do not fully reimburse Property Owners for the amounts expended or costs incurred by the Property Owner in the construction of the Excess Improvements, City shall credit the applicable Property Owner up to the value of such deficiency against the Impact Fees applicable to the Project.

8.2.3 **Backbone Improvements.** Compensation to Property Owners for any "upsizing" of the Backbone Improvements that are not included in the approved Capital Facilities Plan shall be agreed to by Property Owners and the City as a part of the plan for financing the construction of such Backbone Improvements. The Developer will encourage all construction trucks or equipment to access the development projects from access points along Highway 40 and providing access to the proposed Commons Boulevard.

8.3 **Variations between Infrastructure Plan, Capital Facilities Plan and any City's Future Capital Facilities Plan.** The Parties acknowledge that the City may adopt a new or amended Capital Facilities Plan. Additionally, the City may adopt new or amended Impact Fee ordinances as permitted by State Law for the collection of Impact Fees to pay for the construction of parts or all of the Backbone Improvements. The new Capital Facilities Plan shall in no way limit or reduce the Development Entitlements authorized under this Agreement; change any land uses or permitted uses of the Project; limit or control the rate, timing, phasing or sequencing of the approval, development or construction of all or any part of the Project in any manner so long as all applicable requirements of this Agreement and relevant sections of the Zoning Ordinance are satisfied. The Capital Facilities Plan and any future Capital Facilities Plan may differ from the Infrastructure Plan. As a part of the approval of a Development Application, the City may require Property Owners to build portions of the Backbone Improvements as shown on the Capital Facilities Plan (after it is adopted) instead of as shown on the Infrastructure Plan. However, the Property Owners shall not be required to build any such Backbone Improvements pursuant to the Capital Facilities Plans that exceed the facilities shown on the Infrastructure Plans unless such facilities are inadequate to meet the development needs of the Project, per City Standards, and unless the City and the Property Owners have executed an agreement providing for the reimbursement to the applicable Property Owner for the oversizing costs to construct such excess facilities. If the Parties cannot reach agreement on the terms of a reimbursement agreement, the terms of such a reimbursement agreement shall be subject to the mediation and arbitration provisions of Sections 5.12 and 5.13. Notwithstanding the above, nothing herein obligates the City to pay for the minimum backbone infrastructure needed for the Project.

8.4 **No Additional Off-Site Infrastructure Requirements.** Notwithstanding anything to the contrary in the City's Vested Laws, the City shall not, directly or indirectly, charge Developers or Sub-developers, or any of their respective affiliates or successors, any development fees, impact fees, water hookup fees, or any similar fees, charges, assessments or exactions for Off-Site Infrastructure not contemplated in the Capital Facilities Plan, or subsequent updates to said Plan. However, any and all such development fees, impact fees, water hookup fees, or any similar fees, charges, assessments or exactions for On-Site Infrastructure, shall be borne by Developers and Sub-developers, or any of their respective affiliates or successors, or residents, regardless of whether they are off-site or on-site, pursuant to the Capital Facilities Plan. In the event that Developer or Sub-developer is required to build Off-Site Infrastructure, and in the event pioneering agreements are used, the City would collect a pro-rata share from future, benefitting developers.

8.5 **Modifications of Infrastructure Locations and the Boundaries of the Development Areas.** The City acknowledges that the exact locations of On and Off-Site Infrastructure and the boundaries of the Parcels are conceptual in nature and that additional surveying, engineering and similar studies are needed to finalize lot locations, road and utility alignments as well as road and utility sizing. Therefore, Parcel boundaries, road and utility alignments and, subject to the requirements of this Agreement, infrastructure sizing may be further modified and revised upon the City's approval of subsequent Development Applications in accordance with subsequent subarea infrastructure masterplans that will be prepared by Developer for each Phase, and the City's Vested Laws, all subject to City final approval.

8.6 **Utilities Provided by the North Village Special Service District (NVSSD) and the Jordanelle Special Service District (JSSD).** The Parties acknowledge that the Project is currently served by the NVSSD and the JSSD for sewer and water, including secondary water. It is the intent by both Parties that the NVSSD and the JSSD shall continue to serve the project for these utilities through such service districts as long as they have capacity and capable of serving. The Developer shall provide Commitment Letters from JSSD and NVSSD for the plat being served before final approval for that particular plat is granted. If at any time it is deemed unfeasible to have JSSD or NVSSD serve the Project, the Developer shall secure other service providers. The City shall not be liable or responsible to provide such services.

8.7 **Water Rights.** Developers shall be required to comply with the JSSD and NVSSD water policies generally applicable to all NVSSD customers.

8.8 **Streets.** The Parties acknowledge that the City is presently contemplating an updated North Village Street Master Plan that generally includes the Property (as finalized and adopted by the City, the "**City Updated North Village Street Master Plan**"). Streets shall follow a Conceptual Circulation Plan and Roadway Cross Sections Plan, currently provided as, and identified in **Exhibit I** and be designed and constructed in accordance with the City's codified and uniformly

applied street standards and requirements, including the City Updated North Village Street Master Plan. Later in the development and approval process this Conceptual Circulation Plan shall be further detailed, and identified in the Capital Facilities Plan and the City Updated North Village Street Master Plan, that will coincide with and support the Conceptual Master Plan, as identified in **Exhibit D**. All neighborhood streets should have a minimum asphalt width of 20 feet for private streets and alleys and 26 feet for public streets. In general, streets shall be designed to meet the level of travel, safety and service, while incorporating principles of traffic calming and pedestrian compatibility, such as tree-lined streets with pedestrian ways and linkages, decreasing the need for pavement width by spreading traffic through a grid or modified street hierarchy system. Cardinal Funding will first assess utilization of round-a-bouts at all collector intersections before using traditional intersections. The City shall be responsible to maintain all of the improvements within the public rights of way on streets larger than a Residential Local unless otherwise agreed by the Parties. In general, all neighborhoods shall have two points of access as required by City's Vested Laws. This can be achieved by one or more of the following methods:

(i) Neighborhoods shall connect to a residential local or larger street, as shown on **Exhibit I**;

(ii) A grade-separated divided roadway with minimum lane widths of 20 feet; and

(iii) Uses of a temporary emergency access roads. (These roads will be maintained by the one or more Homeowners' Associations.)

The use of one or more cul-de-sac streets within a development in the Property will be allowed where:

(i) Portions of the land otherwise meeting ordinary use requirements would not be reasonably accessible without a cul-de-sac due to topographical, hydrological or other unique limiting conditions; and

(ii) Cul-de-sacs shall meet the requirements of the City's Vested Laws with cul-de-sacs not exceeding 1300 feet, or as permitted by State Law, the International Fire Code including Appendix D of said code, and the Wild Urban Land Fire Code, unless a greater distance is authorized by the City, at the City's sole discretion, to allow for snow and solid waste removal and emergency traffic. Private areas and gated streets are allowed as long as adequate emergency vehicle access can be maintained as determined by the fire district. The overall design should promote lower design speeds.

Cardinal Funding shall provide in the Conceptual Circulation Plan and Capital Facilities Plan a cross section Exhibit for the UVU Access Road. The UVU Access Road project shall be engineered in such a way as to maintain the rural feeling of

the Heber Valley foothills where the UVU Campus is located, consisting in part, but not limited to, providing for widening of said street by five (5) feet on both sides. Cardinal Funding shall also cooperate with the City in the upsizing of any public street and associated right of way improvements within the Project required pursuant to the City Updated North Village Street Master Plan, which upsizing shall be accomplished pursuant to agreements between the City, Cardinal Funding and/or the applicable Developer or Sub-developer of the applicable street and right of way improvements, including any reimbursements due to Cardinal Funding or the applicable Developer or Sub-developer by reason of such oversizing.

8.9 **Public Infrastructure District.** The City and Cardinal Funding specifically agree and acknowledge that Property Owners shall be entitled to seek the creation of one or more Public Infrastructure Districts permitted pursuant to Utah statutes, particularly Chapter 2a, Part 12 of the Public Infrastructure District Act, (the "**PID Act**"), subject and pursuant to the City's PID Policy.

8.10 **Off-Site Connectivity**. All trails, canals, ditches and roads shall connect with existing trails, canals, ditches and roads located immediately adjacent to the Project such that there is consistent, smooth linkage and connectivity with any and all municipal systems.

8.11 **Potential School Site**. Cardinal Funding agrees that it will negotiate in good faith with the Wasatch County School District with respect to the District's potential acquisition of a school site in the Project.

9. **Cable/Fiber Optic Service.** Subject to all applicable federal and state laws, as well as the City's authorization and capacity to timely install in a reasonable manner all required infrastructure and provide such service, Cardinal Funding agrees that the City shall be the sole cable/fiber optic network provider for the Development. The City shall install or cause to be installed all underground conduits necessary to make available a minimum of one cable service/fiber optic communication provider, or other comparable information and communication service provider, within the Project. Cardinal Funding shall cooperate and reasonably accommodate the City's installation and development of said cable service/fiber optic network, (CFON). Notwithstanding the foregoing, Property Owners may contract with any cable TV/fiber optic and other communication provider of their own choice and grant an exclusive right of access and/or easement to such provider to furnish cable TV/fiber optic and other communication services for those dwelling units or other uses on such Property Owner's real property so long as the property is private and not dedicated to the public. The City may charge and collect all taxes and fees with respect to cable, fiber optic and other communication lines as allowed under an applicable City ordinance or state law.

10. **CC&Rs.** As more fully set forth in the CC&Rs, Property Owners shall create and establish one or more Homeowners' Associations, which shall be responsible for the implementation and enforcement of the CC&Rs and the Design Guidelines, including but not limited to architectural reviews, water efficiency, wildfire education, open space, and private street maintenance. Recordation of the CC&Rs and creation of such Homeowners' Associations shall be required at the time of Final Plat review and approval. They shall be recorded both with the County

and City Recorders. The City shall not be responsible for the implementation and/or enforcement of any such CC&Rs and Design Guidelines. The CC&Rs may be amended by the processes specified in the CC&Rs without any requirement of approval of such amendments by the City. If any provision of the Design Guidelines is inconsistent with a specific provision of this Agreement, the terms of this Agreement shall govern. Prior to the issuance of any building permits for residential, business, commercial or recreational use, but excluding On or Off-Site Infrastructure or other infrastructure proposed by Property Owners, the architectural control committee established by the CC&Rs shall certify that the proposed Development Application complies with the Design Guidelines. To facilitate uniform application and enforcement of the Design Guidelines, the Design Guidelines shall incorporate the design standards set forth in the Zone. Potential avenues of enforcement of the applicable CC&Rs available to the applicable Homeowners' Association or Owners shall include judicial enforcement by a court having subject matter jurisdiction over the particular dispute.

11. **Fees & Bonding.**

11.1 **General Requirement of Payment of Fees.** The City acknowledges its fees are subject to applicable State law. The City's impact fee requirements will be set forth in the City's approved Capital Facilities Plan for the Project area to be developed subsequent to this Agreement and incorporated herein.

11.2 **Limitations on New Development, Review or Impact Fees.** The Project shall not be made subject to any new development, review or impact fees or impositions enacted after the Effective Date unless: (a) the amount charged has been determined in accordance with all applicable state laws; and (b) it is directly or in practical effect, proportionate to the costs incurred by the City from the Project, and it is imposed and used to mitigate an impact caused by the development of the Project.

11.3 **Warranty Bonding.** To the extent other public financing vehicles are not available for any on or off-site, publicly dedicated infrastructure or similar improvements for the Project, Property Owners, Developers or Sub-developers, as applicable, shall provide performance or warranty bonds, per the Heber City Code, in the form of letters of credit or cash bonds (all forms approved by the City) in relation to any on or off-site, publicly dedicated infrastructure or similar improvements for the Project (the "**Security**"), including, without limitation, roads, curb and gutter, storm drains, sewer, water, street lighting, signs, sidewalks, landscaping within public rights of way, public open space, public parks and trails. Notwithstanding anything to the contrary under the City's Vested Laws, Property Owners shall not be required to post any such security for any privately-owned infrastructure or improvements, not necessary for public health and safety. The Security required under this section shall otherwise conform to the requirements of State Law.

12. **Construction Standards and Requirements.**

12.1 **Building Permits.** No buildings or other structures that require permits, shall be constructed within the Project without the Developer or Sub-developer first obtaining building permits in accordance with the City's Vested Laws. Developers and Sub-developers may apply for and obtain a grading permit following Preliminary Site Plan approval if the Developers or Sub-developers, as applicable, have submitted and received approval of a site-grading plan and SWPPP and subject to a Land Disturbance Permit issued pursuant to Section 13 below.

12.2 **City and Other Governmental Agency Permits.** Before commencement of construction or development of any buildings, structures or other work or improvements upon any portion of the Project, a Developer or Sub-developer shall, at their expense, secure, or cause to be secured, any and all permits which may be required by the City under the City's Vested Laws or any other governmental entity having jurisdiction over the work. The City shall reasonably cooperate with Developers Sub-developers in seeking to secure such permits from other governmental entities.

12.3 **Limitation to Four Stories.** No structure in the Project shall exceed four (4) stories in height.

13. **Mass Grading; On-Site Processing of Natural Materials; Storm Water Management.**

13.1 **Mass Grading**. The City acknowledges and agrees that the Master Plan contemplates, and the City has expressly approved, development of the Property as a large integrated site and that such development of the Property pursuant to the Master Plan will require and the City has expressly approved the mass grading of the Property in order to accommodate the proposed elements of the Master Plan. The City therefore agrees that, notwithstanding the provisions of the City's Vested Laws, Cardinal Funding may mass grade the Property consistent with the requirements of the Master Plan and Section 17.34.010 of the City's Vested Laws, upon application for and approval of a Heber City Land Disturbance Permit in the form attached hereto as **Exhibit J** and a SWPPP.

13.2 **On-Site Processing of Natural Materials**. Property Owners may use the natural materials located on the Project, including, without limitation, sand, gravel and rock, and may process such natural materials into construction materials, including, without limitation, aggregate or topsoil, for use in the construction of On and Off-Site Infrastructure, commercial buildings, residential structures, or other buildings or improvements located in the Project and other locations outside the Project. Property Owner shall remediate any damage to trails, infrastructure, drainage or natural water features caused by such use. Notwithstanding this provision, this does not permit the construction of any subdivision or site-specific improvements prior to the requisite Final Plat review and approval for such improvements. Property Owner shall remediate any damage to trails,

infrastructure, drainage or natural water features caused by such use. Any such uses shall not be considered gravel pits.

13.3 **Storm Water Management**. The Parties acknowledge that the City is presently contemplating a future regional storm water master plan that generally includes the Property (as finalized and adopted by the City, the "**City Updated North Village Stormwater Master Plan**"). Cardinal Funding shall manage and preserve or cause to be managed or preserved all storm water generated by the Project in retention and detention facilities located within the Project (the "On-Site Retention/Detention"), passing through and discharging historical storm water flows (i.e. those flows generated historically on or from the Property as well as those historically passed through the Property) only in accordance with the City's codified and uniformly applied storm water standards and requirements, including the City Updated North Village Stormwater Master Plan. Stormwater facilities shall be subject to the City's approval of the specific plans and specifications for such storm water facilities in accordance with the City's codified and uniformly applied storm water standards and requirements (including requirements pertaining to pre-treatment, detention, discharge location and LID measures), including the City Updated North Village Stormwater Master Plan; provided, however, in no event shall the City's approval of any stormwater facility to be located on or within the Property be delayed by reason of the City's failure to finalize and adopt the City Updated North Village Stormwater Master Plan. If Cardinal Funding is unable to accomplish the On-Site Retention/Detention, Cardinal Funding shall cooperate with the City in designing and shall be responsible to construct such offsite storm water facilities as are required to manage any excess storm water generated by the Project that is not managed pursuant to the On-Site Retention/Detention facilities. Any such offsite stormwater facilities shall be constructed in accordance with the City's codified and uniformly applied storm water standards and requirements (including requirements pertaining to pre-treatment, detention, discharge location and LID measures), including the City Updated North Village Stormwater Master Plan. Cardinal Funding shall also cooperate with the City in the upsizing of any storm water conveyance facilities located in public rights of way within the Project required pursuant to the City Updated North Village Stormwater Master Plan, which upsizing shall be accomplished pursuant to agreements between the City, Cardinal Funding and/or the applicable Developer or Sub-developer of the applicable right of way improvements, including any reimbursements due to Cardinal Funding or the applicable Developer or Sub-developer by reason of such oversizing.

14. **Provision of Municipal Services.** The City shall provide all City services to the Project that it provides from time to time to other residents and properties within the City including, but not limited to, development services and inspections, road and streetlight maintenance on public streets, police, and other emergency services. Such services shall be provided to the Project at the same levels of service, and on the same terms and rates as provided to other residents and properties in the City, unless such services are provided by other entities, or, because of the unique topography, location or other special or unique circumstances in the area covered by this

Agreement, the cost to provide such services is higher than the like property rate throughout the City, and the City is able to demonstrate by empirical evidence, that such costs are a result of substantive additional or increased costs of municipal services, or financial burden to the City, then such additional costs, including but not limited to those required for additional special fire or police services, may be passed on to the Property Owners by way of special municipal service zonal fees, or some other equivalent of such fees. The City may charge such increased rate fees to Property Owners with respect to the Project, Phase, or sections of a Phase proportionate to their share of the increased cost.

15. **Default.** Any failure by any party to perform any term or provision of this Agreement, which failure continues uncured for a period of thirty (30) days following the receipt of written notice of such failure from the other party (unless such period is extended by mutual written consent, and subject to Sections 15.2 through 15.4), shall constitute a **"Default"** under this Agreement. Any notice given pursuant to the preceding sentence (**"Asserted Default Notice"**) shall comply with Section 15.1.

15.1 **Notice.** If a Property Owner or the City causes an event which remains uncured for a period of thirty (30) days, this would constitute a Default of this Agreement. The Party claiming a Default shall provide a written Asserted Default Notice to the other Party.

15.1.1 **Contents of the Asserted Default Notice.** The Asserted Default Notice shall:

15.1.1.1. Claim of Default. Specify the claimed event of Default;

15.1.1.2. Identification of Provisions. Identify with particularity the provisions of any applicable law, rule, regulation or provision of this Agreement that is claimed to be in Default;

15.1.1.3. Specify Materiality. Identify why the claimed Default is claimed to be material; and

15.1.1.4. Proposed Cure. Specify the manner in which said failure may be satisfactorily cured.

15.2 **Cure.** Following receipt of an Asserted Default Notice, the defaulting Party shall have sixty (60) days in which to cure such claimed Default (the "Cure Period"). If more than 60 days is required for such cure, the defaulting Party shall have such additional time as is reasonably necessary under the circumstances in which to cure such Default so long as the defaulting Party commences such cure within the Cure Period and pursues such cure with reasonable diligence.

15.3 **Meet and Confer, Mediation, Arbitration.** Upon the failure of a defaulting Party to cure a Default within the Cure Period or in the event the defaulting Party contests that a Default has occurred, the Parties shall engage in the "Meet and Confer" and "Mediation" processes specified in Sections 5.10 and 5.13.

If the claimed Default is subject to Arbitration as provided in Section 5.13, the Parties shall engage in Arbitration as provided in Section 5.13.

15.4 **Remedies.** If the Parties are not able to resolve the Default by "Meet and Confer" or by Mediation, and if the Default is not subject to Arbitration, the Parties shall have the following remedies:

15.4.1 **Legal Remedies.** Legal Remedies available to both Parties shall include all rights and remedies available at law and in equity, including, but not limited to, injunctive relief, specific performance and/or damages. In addition to any other rights or remedies, any Party may institute legal action to cure, correct or remedy any default, to specifically enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation. Nothing in this section is intended to, nor does it limit Developer's or City's right to such legal and equitable remedies as permitted by law. It is specifically acknowledged by both Parties that neither Party waives any such rights for legal and equitable remedies.

15.4.2 **Enforcement of Security.** The right to draw on any security posted or provided in connection with the Project and relating to remedying of the particular Default.

15.4.3 **Withholding Further Development Approvals.** The right to withhold all further reviews, approvals, licenses, building permits and/or other permits for development of that portion of the Property owned by the defaulting Property Owner.

15.5 **Public Meeting.** For any Default by a Property Owner, before any remedy in Section 15.4.3 may be imposed by the City, Property Owners shall be afforded the right to attend a public meeting before the Council and to address the Council regarding the claimed Default.

15.6 **Emergency Defaults.** Anything in this Agreement notwithstanding, if the Council finds on the record in a public meeting that a Default by Property Owners materially impairs a compelling, countervailing interest of the City and that any delays in imposing a remedy to such a Default would also impair a compelling, countervailing interest of the City, the City may impose the remedies of Section 15.4.1., without the requirements of Sections 15.3. The City shall give Notice to Property Owners in accordance with the City's Vested Laws of any public meeting at which an emergency Default is to be considered and Property Owners shall be allowed to attend such meeting and address the Council regarding the claimed emergency Default.

15.7 **Cumulative Rights.** The rights and remedies set forth herein shall be cumulative.

16. **Notices.** All notices required or permitted under this Amended Development

Agreement shall, in addition to any other means of transmission, be given in writing by certified mail and regular mail to the following address:

To the Property Owners:

Cardinal Funding, LLC
C/O John Thackeray
1165 E. Wilmington Avenue, Suite 275
Salt Lake City, Utah 84106-3081

To the City:

City of Heber
Attn: City Recorder
25 North Main Street
Heber, Utah 84032

16.1 **Effectiveness of Notice.** Except as otherwise provided in this Agreement, each Notice shall be effective and shall be deemed delivered on the earlier of:

16.1.1 **Physical Delivery.** Its actual receipt, if delivered personally, by courier service, or by facsimile, provided that a copy of the facsimile Notice is mailed or personally delivered as set forth herein on the same day and the sending Party has confirmation of transmission receipt of the Notice.

16.1.2 **Electronic Delivery.** Its actual receipt if delivered electronically by email, provided that a copy of the email is printed out in physical form and mailed or personally delivered as set forth herein on the same day and the sending Party has an electronic receipt of the delivery of the Notice.

16.1.3 **Mail Delivery.** On the day the Notice is postmarked for mailing, postage prepaid, by First Class or Certified United States Mail and actually deposited in or delivered to the United States Mail.

16.1.4 **Change of Notice Address.** Any Party may change its address for Notice under this Agreement by giving written Notice to the other Party in accordance with the provisions of this Section.

17. **Administrative Amendments.**

17.1 **Allowable Administrative Applications:** The following modifications to this Agreement may be considered and approved by the Administrator.

17.1.1 **Infrastructure.** Modification of the location and/or sizing of the infrastructure for the Project that does not materially change the functionality of the infrastructure.

17.1.2 **Design Guidelines.** Modifications of the Design Guidelines.

17.1.3 **Development Unit Allocations.** Any allocation of Development Unit densities to be made by Cardinal Funding or its successors, including proposed increases in commercial density.

17.1.4 **Minor Amendment.** Any other modifications deemed to be minor modifications by the Administrator.

17.2 **Application to Administrator.** Applications for Administrative Amendments shall be filed with the Administrator.

17.2.1 **Referral by Administrator.** If the Administrator determines for any reason that it would be inappropriate for the Administrator to determine any Administrative Amendment, the Administrator may require the Administrative Amendment to be processed as a Modification Application.

17.2.2 **Administrator's Review of Administrative Amendment.** The Administrator shall consider and decide upon the Administrative Amendment within a reasonable time not to exceed forty-five (45) days from the date of submission of a complete application for an Administrative Amendment. Applicant must provide all documents in their completed form and pay any required fee in accordance with State law.

17.2.3 **Notification Regarding Application and Administrator's Approval.** Within ten (10) days of receiving a complete application for an Administrative Amendment, the Administrator shall notify the Council in writing. Unless the Administrator receives a notice pursuant to these Sections, requiring that the proposed Administrative Amendment be considered by the Council as a Modification Application, the Administrator shall review the application for an Administrative Amendment and approve or deny the same within the 45-day period set forth in Section 17.2.2. If the Administrator approves the Administrative Amendment, the Administrator shall notify the Council in writing of the proposed approval and such approval of the Administrative Amendment by the Administrator shall be conclusively deemed binding on the City. A notice of such approval shall be recorded against the applicable portion of the Property in the official City records.

17.2.4 **City Council Requirement of Modification Application Processing.** If the Council requires the proposed Administrative Amendment to be considered by the Council as a Modification Application, it shall, within two (2) business days after the first Council meeting following notification by the Administrator pursuant to Section 17-2-3 above, notify the Administrator that the Administrative Amendment must be processed as a Modification Application, and that the Council shall be the final determining body for any and all Modification Applications.

17.2.5 **Appeal of Administrator's Denial of Administrative Amendment.** If the Administrator denies any proposed Administrative Amendment, the Applicant may process the proposed Administrative Amendment to the Council for final adjudication. The Council shall be the final determining body for any and all Modification Applications.

18. **Amendment.** Except for Administrative Amendments, any future amendments to this Agreement shall be considered as Modification Applications subject to the following processes:

18.1 **Submissions of Modification Applications.** Only the City or Cardinal Funding or an assignee of Cardinal Funding that succeeds to all of the rights and obligations of Cardinal Funding under this Agreement may submit a Modification Application.

18.2 **Modification Application Contents.** Modification Applications shall:

18.2.1 **Identification of Property.** Identify the property or properties affected by the Modification Application.

18.2.2 **Description of Effect.** Describe the effect of the Modification Application on the affected portions of the Project.

18.2.3 **Identification of Non-City Agencies.** Identify any Non-City agencies potentially having jurisdiction over the Modification Application.

18.2.4 **Map.** Provide a map of any affected property and all property within three hundred feet (300') showing the present or Intended Use and density of all such properties.

18.2.5 **Fee.** Modification Applications shall be accompanied by a fee in an amount reasonably estimated by the City to cover the costs of processing the Modification Application.

18.3. **Mutual Cooperation in Processing Modification Applications.** Both the City and Applicants shall cooperate reasonably in promptly and fairly processing Modification Applications.

18.4 **Planning Commission Review of Modification Applications.**

18.4.1 **Review.** All aspects of a Modification Application required by law to be reviewed by the Planning Commission shall be considered by the Planning Commission as soon as reasonably possible in accordance with the City's Vested Laws in light of the nature and/or complexity of the Modification Application. The City shall not be required to begin its review of any application unless and until the Applicant has submitted a complete application.

18.4.2 **Recommendation.** The Planning Commission's vote on the Modification Application shall be only a recommendation.

18.5 **Council Review of Modification Application.** After the Planning Commission, if required by law, has made or been deemed to have made its recommendation of the Modification Application, the Council shall consider the Modification Application.

18.6 **Council's Objections to Modification Applications.** If the Council objects to the Modification Application, the Council shall provide a written determination advising the Applicant of the reasons for denial, including specifying the reasons the City believes that the Modification Application is not consistent with the intent of this Agreement and/or the City's Vested Laws (or, only to the extent permissible under this Agreement, the City's Future Laws).

18.7 **Mediation of Council's Objections to Modification Applications.** If the Council and Property Owners are unable to resolve a dispute regarding a Modification Application, the Parties shall attempt within seven (7) days to appoint a mutually acceptable expert in land planning or such other discipline as may be appropriate. If the Parties are unable to agree on a single acceptable mediator, each shall, within seven (7) days, appoint its own individual appropriate expert. These two experts shall, between them, choose the single mediator. Property Owners shall pay the fees of the chosen mediator. The chosen mediator shall within fourteen (14) days, review the positions of the parties regarding the mediation issue and promptly attempt to mediate the issue between the parties.

18.8 **Amendments by Cardinal Funding**. Notwithstanding any other provision in this Agreement to the contrary, Cardinal Funding may propose and if approved by the City, execute any amendment or other modification of this Agreement or the Master Plan, without the consent of any Property Owner provided that such amendments, modifications, land uses and density allocations: (a) are consistent with the requirements of the City's Vested Laws; and (b) shall not alter the ERU density allocated to such Property Owner identified in a duly executed Development Report or assignment from Cardinal Funding or otherwise affect any development rights associated with such Property Owner's Development Property set forth in a property specific development agreement with the City pertaining to such Development Property or a recorded Subdivision Plat specific to such Development Property and no other portion of the Project. For avoidance of doubt, neither the City nor Cardinal Funding shall be required to obtain the consent of any Property Owner or any subsequent owner of a portion of the Project in order to amend this Agreement pursuant to this Section 18.

19. **Estoppel Certificate.** Upon twenty (20) days prior written request by a Property Owner, the City will execute an estoppel certificate to any third party certifying that this Agreement has not been amended or altered (except as described in the certificate) and remains in full force and effect, and that such Property Owner is not in default of the terms of this Agreement (except as described in the certificate), and such other matters as may be reasonably requested by

the Property Owner. The City acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees.

20. **Attorney Fees and Costs.** In the event of the failure of either Party hereto to comply with any provision of this Agreement, the defaulting Party shall pay any and all costs and expenses, including reasonable attorneys' fees, investigating such actions, taking depositions and discovery, and all other necessary costs incurred in, arising out of or resulting from such default (including any incurred in connection with any appeal or in bankruptcy court) incurred by the injured Party in enforcing its rights and remedies, whether such right or remedy is pursued by filing a lawsuit or otherwise.

21. **Entire Agreement.** Unless expressly provided herein, nothing in this Agreement shall be interpreted to conflict with, replace or waive any requirements, obligations, standards, duties, rights and enforcements afforded to the Parties, provided by and through the NVOZ Zone and Ordinance, and shall be interpreted and presumed by the Parties to be consistent, in harmony with, and incorporated herein with this Agreement. This Agreement and all Exhibits hereto, is the entire agreement between the Parties and may not be amended or modified except either as provided herein or by a subsequent written amendment signed by all Parties.

22. **Headings.** The captions used in this Agreement are for convenience only and a not intended to be substantive provisions or evidences of intent.

23. **No Third-Party Rights/No Joint Venture.** This Agreement does not create a joint venture relationship, partnership or agency relationship between the City and Property Owner. Further, the Parties do not intend this Agreement to create any third-party beneficiary rights. The Parties acknowledge that this Agreement refers to a private development and that the City has no interest in, responsibility for or duty to any third parties, including but not limited to JSSD or NVSSD, concerning any improvements to the Property unless the City has accepted the dedication of such improvements at which time all rights and responsibilities for the dedicated public improvement shall be the City's.

24. **Assignability.**

24.1 **Transfer to Developers and Sub-developers.** Notwithstanding anything to the contrary in this Agreement, Cardinal Funding or its successor may sell any portion of the Property to one or more Developers and/or Sub-developers at any time from and after the Effective Date. Each such transferred portion of the Property (each, a "**Development Property**") shall be developed by the Developer and/or Sub-developer in accordance with and subject to the terms hereof, including, without limitation, the following:

24.1.1 Developer or Sub-developer shall assume in writing for the benefit of the City and Property Owners all of the obligations and liabilities of Property Owners hereunder with respect to the Development Property;

24.1.2 Developer and Sub-developer shall be afforded the rights of Property Owners granted hereunder in respect of the applicable

Development Property only, including, without limitation, any rights of Property Owners in and the impact fee credits and/or reimbursements pertaining to such Development Property; provided, however, that unless Cardinal Funding otherwise agrees in writing, Developer and/or Sub-developer shall not, in each case without the prior written consent of Cardinal Funding, which may be granted or withheld in Cardinal Funding' sole discretion:

(i) submit any design guidelines to the City in respect to the Development Property and/or propose any amendments, modifications or other alterations to the Design Guidelines or any other design guidelines previously submitted by Cardinal Funding Owners to the City in respect of the Development Property;

(ii) process any Final Plats, site plans or Development Applications for the Development Property and/or propose any amendments, modifications or other alterations of any approved Final Plats, site plans, and/or Development Applications procured by Cardinal Funding for the Development Property; or

(iii) propose or oppose any amendments, modifications or other alterations to this Agreement.

24.1.3 The City agrees not to accept or process any of the foregoing matters from a Developer and/or Sub-developer unless the matter has been approved by the owner of the Development Property.

24.1.4 Cardinal Funding shall not amend, modify or alter this Agreement or the Design Guidelines, or any Final Plats, Development Agreements and/or site plans approved for the Development Property in a manner that would materially interfere with Developer and/or Sub-developer's rights hereunder in respect of such Development Property, in each case without Developer and/or Sub-developer's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

25. **Effect of Breach.** Notwithstanding any other provision of this Agreement, no breach or default hereunder, by any Person succeeding to any portion of a Property Owner's obligations under this Agreement shall be attributed to Property Owner. Nor may a Property Owner's rights hereunder be canceled or diminished in any way by any breach or default by any such Person. No breach or default hereunder by a Property Owner shall be attributed to any Person succeeding to any portion of such Property Owner's rights or obligations under this Agreement, nor shall such transferee's rights be canceled or diminished in any way by any breach or default by such Property Owner. During the development of the Project, until final approval of and dedication to the City, Developer, Owners or Owners, and their assigns, transferees, and sub - developers shall maintain the City as an additional named insured where reasonably possible, and

without adding unreasonable cost, on any relevant or applicable liability insurance associated with the Project.

26. **Mortgagee Protection.** This Agreement shall be superior and senior to any lien placed upon the Property, or any portion thereof, including the lien of any Mortgage. Notwithstanding the foregoing, no breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any such Mortgage made in good faith and for value, but all of the terms and conditions contained in this Agreement shall be binding upon and effective against any Person that acquires title to the Property, or any portion thereof, by foreclosure, trustee's sale, deed in lieu of foreclosure or otherwise. Notwithstanding the provisions of this Section, no Mortgagee shall have any obligation or duty under this Agreement to construct or complete the construction of improvements, or to guarantee such construction or completion. If the City receives a written notice from a Mortgagee requesting a copy of any notice of default given to a Property Owner or a Sub-developer and specifying the address for service thereof, then the City shall deliver to such Mortgagee, concurrently with service thereon to the Property Owner or a Sub-developer, as applicable, any notice of default or determination of noncompliance given to the Property Owner or such Sub-developer. Each Mortgagee shall have the right (but not the obligation) for a period of 90 days after the receipt of such notice from the City to cure or remedy the default claimed or the areas of noncompliance set forth in the City's notice. If such default or noncompliance is of a nature that it can only be cured or remedied by such a Mortgagee upon obtaining possession of the Property, then such Mortgagee may seek to obtain possession with diligence and continuity through a receiver or otherwise, and shall within 90 days after obtaining possession cure or remedy such default or noncompliance. If such default or noncompliance cannot with diligence be cured or remedied within either such 90 -day period, then such Mortgagee shall have such additional time as may be reasonably necessary to cure or remedy such default or noncompliance if such Mortgagee commences such cure or remedy during such 90 -day period and thereafter diligently pursues completion of such cure or remedy to the extent possible.

27. **Termination.**

27.1 This Agreement shall be terminated and of no further effect upon the occurrence of any of the following events:

(i) Expiration of the Term of this Agreement, unless extended as provided in Section 4.6;

(ii) Completion of the Project in accordance with the Development Entitlements and the City's issuance of all required occupancy permits and acceptance of all dedications and improvements required under the Development Entitlements and this Agreement;

(iii) Except for the payment of applicable fees and assessments, as for any specific residential dwelling or other structure within the Project, this Agreement shall be terminated for such dwelling or other structure upon the issuance by City of a certificate of occupancy therefore;

(iv) Entry of final judgment (with no further right of appeal) or issuance of a final order (with no further right of appeal) directing City to set aside, withdraw, or abrogate City's approval of this Agreement,

(v) The effective date of a party's election to terminate the Agreement as specifically provided in this Agreement, or

(vi) in the event that Developer or the project are in default, or where material, contractual and developmental obligations are not met, or any deadlines and conditions of this Agreement, and relevant State and Federal Laws not fulfilled or are violated, after appropriate default notices and cure provisions of this Agreement.

27.2 **Notice of Termination.** City shall, upon written request made by Developer or Developer's successor(s) or assign(s) or any Owner to City's Planning Director, determine if the Agreement has terminated with respect to any parcel or lot at the Property, and shall not unreasonably withhold, condition, or delay termination as to that lot or parcel. Upon termination of this Agreement as to any lot or parcel, City shall upon Developer or Developer's successor(s) or assign(s) or any Owner's request record a notice of termination that the Agreement has been terminated. The aforesaid notice may specify, and Developer or Developer's successor(s) or assign(s) and Owners agree, that termination shall not affect in any manner any continuing obligation to pay any item specified by this Agreement. Termination of the Agreement as to any parcel or lot at the Property shall not affect Developer or Developer's successor(s) or assign(s) or any Owner's rights or obligations under any of the Development Entitlements and Subsequent Entitlements, including but not limited to, the General Plan, Specific Plan, Zoning Ordinance and all other City policies, regulations, and ordinances applicable to the Project at the Property. City may charge a reasonable fee for the preparation and recordation of any notice(s) of termination requested by Developer or Developer's successor(s) or assign(s) or any Owner.

27.3 **Partial Termination.** In the event of a termination of this Agreement with respect of any portion of the Property, any then-existing rights and obligations of the parties with respect to such portion of the Property shall automatically terminate and be of no further force, effect or operation. However, no termination of this Agreement with respect to any portion of the Property or the Project shall affect in any way the parties' rights and obligations hereunder with respect to any other portion of the Property or Project not subject to the termination. Subject to the provisions of the Default Paragraph 15, the expiration or termination of this Agreement shall not result in any expiration or termination of any Entitlement then in existence, without further action of City.

28. **Insurance and Indemnification.** Each Property Owner shall defend and hold the City and its officers, employees and consultants harmless for any and all claims, liability and damages arising out of the negligent actions or inactions of such Property Owner, its agents or

employees pursuant to this Agreement, unless caused by the City's negligence or willful misconduct.

29. **Hazardous, Toxic, and/or Contaminating Materials.** Each Owner shall defend and hold the City and its elected and/or appointed boards, officers, agents, employees and consultants harmless from any and all claims, liabilities, costs, fines, penalties and/or charges of any kind whatsoever relating to the existence and removal, or caused by the introduction of hazardous, toxic and/or contaminating materials by such Property Owner on the Project or arising out of action or inactions of Developer, except where such claims, liability costs, fines, penalties and charges are due to the actions of the City or its elected or appointed boards, officers, agents, employees or consultants.

30. **Binding Effect.** If Cardinal Funding or another Property Owner conveys any portion of the Property to one or more Sub-developers, the property so conveyed shall have the same rights, privileges, Intended Uses and configurations, and shall be subject to the same limitations and rights of the City, applicable to such property under this Agreement prior to such conveyance, without any required approval, review, or consent by the City, except as otherwise provided herein.

31. **No Waiver.** Failure of any Party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such Party to exercise at some future date any such right or any other right it may have.

32. **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid for any reason, the Parties consider and intend that this Agreement shall be deemed amended to the extent necessary to make it consistent with such decision and the balance of this Agreement shall remain in full force and affect.

33. **Force Majeure.** Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature, inclement weather, governmental restrictions, regulations or controls, judicial orders, enemy or hostile government actions, wars, civil commotions, fires or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay or stoppage.

34. **Time is of the Essence.** Time is of the essence to this Agreement and every right or responsibility shall be performed within the times specified.

35. **Appointment of Representatives.** To further the commitment of the Parties to cooperate in the implementation of this Agreement, the City and Cardinal Funding each shall designate and appoint a representative to act as a liaison between the City and its various departments and Cardinal Funding. The initial representative for the City shall be City Manager, or his designee and the initial representatives for Cardinal Funding shall be John Thackeray and Terry Diehl. The Parties may change their designated representatives by Notice. The

representatives shall be available at all reasonable times to discuss and review the performance of the Parties to this Agreement and the development of the Project.

36. **Mutual Drafting.** Each Party has participated in negotiating and drafting this Agreement and therefore no provision of this Agreement shall be construed for or against either Party based on which Party drafted any particular portion of this Agreement.

37. **Applicable Law.** This Agreement is entered into in the City in the State of Utah and shall be construed in accordance with the laws of the State of Utah irrespective of Utah's choice of law rules.

38. **Recordation and Running with the Land.** This Agreement shall be recorded in the office of the Wasatch County Recorder. Copies of the City's Vested Laws, **Exhibit K**, shall not be recorded. A secure copy of **Exhibit K** shall be filed with the City Recorder and each Party shall also have an identical copy. The provisions of this Agreement shall constitute real covenants, contract and property rights and equitable servitudes, which shall run with all of the land subject to this Agreement. The burdens and benefits hereof shall bind and inure to the benefit of each of the Parties hereto and all successors in interest to the Parties hereto. All successors in interest shall succeed only to those benefits and burdens of this Agreement which pertain to the portion of the Project Area to which the successor holds title. Such titleholder is not a third party beneficiary of the remainder of this Agreement or to zoning classifications and benefits relating to other portions of the Project Area. The obligations of Property Owners hereunder are enforceable by the City, and no other Person shall or may be a third party beneficiary of such obligations unless specifically provided herein.

39. **Authority.** The parties to this Agreement each warrant that they have all of the necessary authority to execute this Agreement. Specifically, on behalf of the City, the signature of the Mayor of the City is affixed to this Agreement lawfully binding the City pursuant to Ordinance No. [INSERT] adopted by the City on [INSERT]. This Agreement is approved as to form and is further certified as having been lawfully adopted by the City by the signature of the City Attorney.

40. **Covenant of Good Faith and Fair Dealing.** No party shall do anything which shall have the effect of injuring the right of another party to receive the benefits of this Agreement or do anything which would render its performance under his agreement impossible. Each party shall perform all acts contemplated by this Agreement to accomplish the objectives and purposes of this Agreement.

41. **Further Actions and Instruments.** The Parties agree to provide reasonable assistance to the other and cooperate to carry out the intent and fulfill the provisions of the Agreement. Each of the parties shall promptly execute and deliver all documents and perform all acts as necessary to carry out the matters contemplated by this Agreement.

42. **Partial Invalidity Due to Governmental Action.** In the event state or federal laws or regulations enacted after the Execution Date of this Agreement, or formal action of any governmental jurisdiction other than City, prevent compliance with one or more provisions of this

Agreement, or require changes in plans, maps or permits approved by City, the parties agree that the provisions of this Agreement shall be modified extended or suspended only to the minimum extent necessary to comply with such laws or regulations.

[Signatures appear on the following two pages.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first herein above written.

PROPERTY OWNER

CARDINAL FUNDING, LLC, a
Utah limited liability company

By: _____
Name: John P. Thackeray
Title: Manager

PROPERTY OWNER ACKNOWLEDGMENT

STATE OF UTAH)
:§.
CITY OF Salt Lake)

On the 16 day of December, 2021, personally appeared before me John P. Thackeray who being by me duly sworn, did say that he is the Manager of Cardinal Funding, LLC, and that the foregoing instrument was duly authorized by the company at a lawful meeting held by authority of its operating agreement and signed in behalf of said company.

Gaylynn Hart
NOTARY PUBLIC

GAYLYNN HART
NOTARY PUBLIC - STATE OF UTAH
My Comm. Exp. 11/05/2024
Commission # 715019

CITY

Heber City, a political subdivision of the State of Utah

By: Kelleen Potter
Name:
Its: Mayor

HEBER CITY CORPORATE Seal WASATCH COUNTY, UTAH

Approved as to form and legality:

City Attorney

By: J. Mark Hawkins

Attest:

City Recorder

By: Trina N. Cooke

CITY ACKNOWLEDGMENT

STATE OF UTAH)
:§.
CITY OF HEBER)

On the 3rd day of January, 2022, personally appeared before me Kelleen Potter who being by me duly sworn, did say that she is the Mayor of City of Heber, a political subdivision of the State of Utah, and that said instrument was signed in behalf of the City by authority of its governing body.

TRINA N. COOKE
NOTARY PUBLIC • STATE OF UTAH
COMMISSION# 701803
COMM. EXP. 08-21-2022

Trina N. Cooke
NOTARY PUBLIC

SCHEDULE 3.3
to
DEVELOPMENT AGREEMENT
FOR THE
HIGHLANDS MASTER PLANNED COMMUNITY

Table 1: Total ERU Calculation			
ERUs	**Total**	**% Market Rate**	**% Affordable**
Total ERUs	737		
Market Rate ERUs	670	100%	
Affordable ERUs	67	(10% of Market Rate)	
80% AMI ERUs*	54		80% of Affordable ERUs
60% AMI ERUs**	13		20% of Affordable ERUs

*Student housing availability shall be prioritized as follows: 1st Student Housing, 2nd Heber City, 3rd School District, 4th Wasatch County, 5th General Public (employed in Wasatch County and living or desiring to live in Wasatch County)
** Workforce housing availability shall be prioritized as follows: 1st Heber City, 2nd Wasatch County School District, 3rd Wasatch County, 4th General Public (employed in Wasatch County and living or desiring to live in Wasatch County)

Table 2: Allocation of ERUs Offered for Sale		
Total	**Total ERU #**	**Sold #**
80% AMI	54 ERU	NLT* 25% min (i.e. 14 ERUs).
60% AMI	13 ERU	NLT 25% min (i.e. 3 ERUs)

* "NLT" means not less than.

Table 3: ERU Use Breakdown								
Category	**Total ERUs**	**Det. SFD**	**Town Home (up to 6 attached units)**	**Multi-Family Rent**	**Multi-Family Owned**	**Commercial**	**Church**	**Storage**
Total	737						1 building*	1 building**
Min.		10%	15%	10%	10%	5%		
Max.		75%	75%	50%	35%	30%		

*minimum 4 acre site, not counted towards ERU calculation
** Four sided architecture required and must be climate controlled storage, not counted towards ERU calculation

EXHIBIT A
to
DEVELOMENTMENT AGREEMENT
FOR THE
HIGHLANDS MASTER PLANNED COMMUNITY

Property

NORTH PARCEL:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 19 AND THE WEST HALF OF SECTION 20 ALL IN TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY RIGHT-OF-WAY LINE OF COMMONS BOULEVARD AND THE EASTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 40 PROJECT NO. F-019-1(1), SAID INTERSECTION BEING EAST 214.59 FEET AND SOUTH 1260.57 FEET FROM THE 2005 WASATCH COUNTY SURVEY ALUMINUM PIPE CAP MONUMENT MARKING THE WEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04°04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS); THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE NORTH 32°00'02" WEST 1,057.48 FEET TO THE SOUTHEASTERLY LINE OF PARCEL 2 AS DESCRIBED IN THAT WARRANTY DEED TO UTAH VALLEY STATE COLLEGE RECORDED AS ENTRY NO. 333087 OF SAID RECORDS AND ALSO DESCRIBED ON RECORD OF SURVEY NO. OWC-035-019-0-1157 AS FILED IN THE WASATCH COUNTY SURVEYORS OFFICE; THENCE ALONG SAID SOUTHEASTERLY LINE THE FOLLOWING TWO COURSES (1) NORTH 58°00'22" EAST 1,112.69 FEET (NORTH 57°59'34" EAST 1,111.85 FEET BY RECORD); AND (2) NORTH 48°11'59" EAST 1,098.03 FEET (NORTH 48°11'11" EAST 1,097.66 FEET BY RECORD) TO THE CENTERLINE OF THE TIMPANOGOS CANAL AS DESCRIBED IN THAT CONTRACT AND GRANT OF EASEMENT RECORDED AS ENTRY NO. 212641 OF SAID RECORDS; THENCE ALONG SAID CENTERLINE THE FOLLOWING NINE COURSES: (1) NORTH 17°22'52" WEST 54.83 FEET (NORTH 17°22'52" WEST 54.71 FEET PER SAID PARCEL 2); (2) NORTHWESTERLY 62.66 FEET ALONG A 57.21 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 62°45'14" AND A LONG CHORD OF NORTH 48°45'29" WEST 59.57 FEET; (3) NORTH 80°08'06" WEST 50.43 FEET; (4) NORTHWESTERLY 80.09 FEET ALONG A 77.16 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 59°28'06" AND A LONG CHORD OF NORTH 50°24'03" WEST 76.54 FEET; (5) NORTH 20°40'00" WEST 67.54 FEET TO STA 212+38 OF SAID TIMPANOGOS CANAL WHICH STA 212+38 IS SOUTH 1318.48 FEET AND EAST 1244.36 FEET FROM THE 1976 WASATCH COUNTY BRASS CAP MONUMENT FOR THE NORTHWEST CORNER OF SECTION 20 PER PARCEL NO. WCWEP-T-0584(P) OF SAID ENTRY NO. 212641; (6) CONTINUING NORTH 20°40'00" WEST 39.32 FEET; (7) NORTHWESTERLY 26.35 FEET ALONG A 73.32 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 20°35'35" AND A LONG CHORD OF NORTH 30°57'47" WEST 26.21 FEET; (8) NORTH 41°15'35" WEST 114.29 FEET; AND (9) NORTHWESTERLY 11.22 FEET ALONG A 3,029.45 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 00°12'44" AND A LONG CHORD OF NORTH 41°09'13" WEST 11.22 FEET TO AN EXISTING FENCE; THENCE ALONG SAID EXISTING FENCE SOUTH 89°54'54" EAST 1,524.20 FEET TO THE NORTH-SOUTH CENTER SECTION LINE OF SAID SECTION 20; THENCE ALONG SAID NORTH-SOUTH CENTER SECTION LINE SOUTH 00°00'09" WEST 1,774.05 FEET TO THE

EXHIBIT A
to
DEVELOMENTMENT AGREEMENT
FOR THE
HIGHLANDS MASTER PLANNED COMMUNITY

Property

CENTERLINE OF THE SAID TIMPANOGOS CANAL; THENCE ALONG SAID CENTERLINE THE FOLLOWING EIGHT COURSES: (1) NORTH 10°34'34" WEST 26.14 FEET; (2) NORTHERLY 18.66 FEET ALONG A 63.10 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 16°56'26" AND A LONG CHORD OF NORTH 19°02'47" WEST 18.59 FEET TO STA 236+55 OF SAID TIMPANOGOS CANAL WHICH STA 236+55 IS NORTH 2238.88 FEET AND WEST 10.76 FEET FROM THE 2005 WASATCH COUNTY ALUMINUM PIPE CAP MONUMENT FOR THE SOUTH QUARTER CORNER OF SECTION 20 PER SAID PARCEL NO. WCWEP-T-0584(P) OF SAID ENTRY NO. 212641; (3) CONTINUING NORTHWESTERLY 31.79 FEET ALONG SAID 63.10 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 28°51'57" AND A LONG CHORD OF NORTH 41°56'59" WEST 31.45 FEET; (4) NORTH 56°22'57" WEST 51.03 FEET; (5) NORTHWESTERLY 56.42 FEET ALONG A 130.89 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 24°41'49" AND A LONG CHORD OF NORTH 44°02'03" WEST 55.98 FEET; (6) NORTH 31°41'08" WEST 60.09 FEET; (7) NORTHWESTERLY 126.00 FEET ALONG A 664.07 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 10°52'18" AND A LONG CHORD OF NORTH 37°07'17" WEST 125.82 FEET; AND (8) NORTH 42°33'26" WEST 8.76 FEET TO THE NORTH LINE OF PARCEL 1 DESCRIBED IN A WARRANTY DEED RECORDED AS ENTRY NO. 462588 OF SAID RECORDS (WHICH SAID PARCEL 1 IS THE SAME AS PARCEL 4 AS DEPICTED ON A RECORD OF SURVEY MAP PREPARED BY EVERGREEN ENGINEERING FILED AS NO. OWC-035-020-0-881 IN THE WASATCH COUNTY SURVEYORS OFFICE, WHICH BEARINGS ARE ROTATED 0°00'48" CLOCKWISE TO AGREE WITH THE ABOVE DESCRIBED BASIS OF BEARINGS); THENCE ALONG SAID NORTH LINE NORTH 89°59'12" WEST 303.12 FEET (WEST BY DEED) TO THE NORTHWEST CORNER OF SAID PARCEL 1; THENCE ALONG THE WEST LINE OF SAID PARCEL 1 SOUTH 00°00'48" WEST 425.00 FEET (SOUTH BY DEED) TO AN EXISTING EVERGREEN ENGINEERING REBAR & CAP AND THE NORTHWEST CORNER OF PARCEL 2 OF SAID WARRANTY DEED (WHICH SAID PARCEL 2 IS THE SAME AS QUIT CLAIM #2 AS DEPICTED ON A RECORD OF SURVEY MAP PREPARED BY BUHLER ASSOCIATES FILED AS NO. 0001830 IN THE WASATCH COUNTY SURVEYORS OFFICE); THENCE ALONG THE WEST LINE OF SAID QUIT CLAIM #2 SOUTH 00°32'12" EAST 134.12 FEET (SOUTH BY DEED) TO AN EXISTING BUHLER ASSOCIATES REBAR & CAP; THENCE ALONG THE SOUTH LINE OF SAID QUIT CLAIM #2 NORTH 89°49'38" EAST 528.67 FEET (EAST BY DEED) EXTENDING THROUGH AN EXISTING BUHLER ASSOCIATES REBAR & CAP TO SAID NORTH-SOUTH CENTER SECTION LINE; THENCE ALONG SAID NORTH-SOUTH CENTER SECTION LINE SOUTH 00°00'09" WEST 1,263.25 FEET TO A BING CHRISTENSEN REBAR & CAP AS DEPICTED ON A RECORD OF SURVEY MAP PREPARED BY MCM ENGINEERING AND FILED AS NO. 1033 IN SAID WASATCH COUNTY SURVEYOR'S OFFICE; THENCE ALONG AN EXISTING FENCE NORTH 89°59'12" WEST 676.35 FEET TO STATION 154+09 ON THE CENTERLINE OF THE WASATCH CANAL AS DESCRIBED IN SAID CONTRACT AND GRANT OF EASEMENT RECORDED AS ENTRY NO. 212641 OF SAID RECORDS, SAID POINT BEING 676.32 FEET WEST AND 668.13 FEET NORTH OF THE SOUTH QUARTER CORNER OF SAID SECTION 20; THENCE CONTINUING NORTH 89°59'12" WEST 52.77 FEET TO THE WESTERLY LINE OF SAID WASATCH CANAL; THENCE ALONG SAID WESTERLY LINE THE FOLLOWING FOURTEEN COURSES: (1) NORTHWESTERLY 36.10 FEET ALONG A 180.84 FEET RADIUS NON-TANGENT CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 11°26'10" AND A LONG CHORD OF NORTH 48°19'44" WEST 36.04 FEET; (2) NORTH 42°36'39" WEST 243.31 FEET; (3) NORTHWESTERLY 59.37 FEET ALONG A 244.36 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 13°55'16"

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AND A LONG CHORD OF NORTH 49°34'17" WEST 59.23 FEET; (4) NORTH 56°31'55" WEST 141.96 FEET; (5) NORTHWESTERLY 52.18 FEET ALONG A 139.48 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 21°26'10" AND A LONG CHORD OF NORTH 45°48'50" WEST 51.88 FEET; (6) NORTH 35°05'45" WEST 32.66 FEET; (7) NORTHWESTERLY 24.90 FEET ALONG A 52.16 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 27°21'17" AND A LONG CHORD OF NORTH 48°46'23" WEST 24.67 FEET; (8) NORTH 62°27'02" WEST 31.01 FEET; (9) NORTHWESTERLY 59.68 FEET ALONG A 100.00 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 34°11'34" AND A LONG CHORD OF NORTH 45°21'15" WEST 58.80 FEET; (10) NORTH 28°15'28" WEST 46.48 FEET; (11) NORTHWESTERLY 27.92 FEET ALONG A 75.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 21°19'55" AND A LONG CHORD OF NORTH 38°55'26" WEST 27.76 FEET; (12) NORTH 49°35'23" WEST 30.70 FEET; (13) NORTHWESTERLY 89.92 FEET ALONG A 200.95 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 25°38'22" AND A LONG CHORD OF NORTH 36°46'12" WEST 89.18 FEET; AND (14) NORTH 23°57'01" WEST 0.10 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF COMMONS BOULEVARD PER WASATCH COMMONS SUBDIVISION PHASE 1 RECORDED AS ENTRY NO. 362478 OF SAID RECORDS, WHICH SAID PHASE 1 BEARINGS ARE ROTATED 0°01'39" COUNTERCLOCKWISE TO AGREE WITH THE ABOVE DESCRIBED BASIS OF BEARINGS; THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING TWO COURSES: (1) WESTERLY 252.73 FEET ALONG A 483.50 FEET RADIUS NON-TANGENT CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 29°56'58" AND A LONG CHORD OF NORTH 75°05'36" WEST 249.86 FEET; AND (2) NORTH 60°07'07" WEST 29.46 FEET; THENCE NORTH 29°52'53" EAST 67.00 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF SAID COMMONS BOULEVARD; THENCE ALONG SAID NORTHERLY RIGHT-OF-WAY LINE THE FOLLOWING EIGHTEEN COURSES (1) NORTH 60°07'07" WEST 50.00 FEET; (2) NORTHWESTERLY 13.57 FEET ALONG A 17.50 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 44°24'55" AND A LONG CHORD OF NORTH 37°54'40" WEST 13.23 FEET; (3) NORTH 60°07'07" WEST 103.22 FEET; (4) WESTERLY 391.17 FEET ALONG A 488.50 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 45°52'49" AND A LONG CHORD OF NORTH 83°03'31" WEST 380.80 FEET; (5) WESTERLY 30.50 FEET ALONG A 35.50 FEET RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 49°13'32" AND A LONG CHORD OF NORTH 81°23'10" WEST 29.57 FEET; (6) WESTERLY 50.41 FEET ALONG A 94.50 FEET RADIUS REVERSE CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 30°33'53" AND A LONG CHORD OF NORTH 72°03'20" WEST 49.82 FEET; (7) NORTHWESTERLY 34.27 FEET ALONG A 35.50 FEET RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 55°18'12" AND A LONG CHORD OF NORTH 59°41'11" WEST 32.95 FEET; (8) NORTH 32°02'05" WEST 11.88 FEET; (9) SOUTH 50°08'15" WEST 77.72 FEET; (10) SOUTH 32°02'05" EAST 1.29 FEET; (11) SOUTHERLY 34.27 FEET ALONG A 35.50 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 55°18'12" AND A LONG CHORD OF SOUTH 04°22'59" EAST 32.95 FEET; (12) SOUTHERLY 26.91 FEET ALONG A 94.50 FEET RADIUS REVERSE CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 16°18'53" AND A LONG CHORD OF SOUTH 15°06'41" WEST 26.82 FEET; (13) SOUTHWESTERLY 31.61 FEET ALONG A 35.50 FEET RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 51°00'41" AND A LONG CHORD OF SOUTH 32°27'35" WEST 30.57 FEET; (14) SOUTH 57°57'55" WEST 24.11 FEET; (15) SOUTHWESTERLY 21.44 FEET ALONG A 135.00 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 09°05'55" AND A LONG CHORD OF SOUTH 62°30'53" WEST 21.42 FEET; (16) SOUTH 67°03'50" WEST

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52.01 FEET; (17) SOUTHWESTERLY 26.20 FEET ALONG A 165.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 09°05'55" AND A LONG CHORD OF SOUTH 62°30'53" WEST 26.17 FEET; AND (18) SOUTH 57°57'55" WEST 27.54 FEET TO THE POINT OF BEGINNING.

CONTAINING 6,038,681 SQUARE FEET OR 138.629 ACRES.

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SOUTH PARCEL:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 20 ALL IN TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN, WASATCH COUNTY, UTAH DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF STATE HIGHWAY 40 PROJECT NO. F-019-1(1), SAID POINT BEING NORTH 0°08'37" WEST 687.06 FEET ALONG THE SECTION LINE AND EAST 659.19 FEET FROM THE 1999 WASATCH COUNTY SURVEY ALUMINUM CAP MONUMENT MARKING THE SOUTHWEST QUARTER CORNER OF SECTION 20, TOWNSHIP 3 SOUTH, RANGE 5 EAST, SALT LAKE BASE AND MERIDIAN (BASIS OF BEARINGS FOR THIS DESCRIPTION IS SOUTH 04°04'03" EAST 2857.85 FEET ALONG A LINE DEFINED BY WASATCH COUNTY WATER SERVICE AREA NO. 1 SURVEY CONTROL MONUMENTS NO. 706 AND NO. 708 (BOTH ALUMINUM PIPE CAP MONUMENTS) SEE THE SURVEY CONTROL SHEET FOR THE CENTRAL UTAH WATER CONSERVANCY DISTRICT, WASATCH COUNTY WATER EFFICIENCY PROJECT, DRAWING NO. G-8 AS RECORDED IN BOOK 630 AT PAGES 766-767 AND AS ENTRY NO. 259146 OF THE WASATCH COUNTY RECORDS); THE PARCEL 2 DESCRIPTION AS RECORED AS ENTRY NO. 396936 OF SAID RECORDS, WHICH SAID PARCEL 2 BEARINGS ARE ROTATED 0°01'39" COUNTERCLOCKWISE TO AGREE WITH THE ABOVE DESCRIBED BASIS OF BEARINGS; THENCE ALONG SAID EASTERLY RIGHT OF WAY LINE NORTH 32°00'02" WEST 748.34 FEET ALONG THE EASTERLY RIGHT OF WAY LINE OF SAID STATE HIGHWAY 40 TO THE BOUNDARY LINE OF WASATCH COMMONS SUBDIVISION, SAID BOUNDARY ALSO BEING THE SOUTH RIGHT OF WAY LINE FOR COMMONS BOULEVARD; THENCE ALONG THE SAID SOUTH RIGHT OF WAY LINE AND BOUNDARY LINE NORTH 57°57'55" EAST 146.97 FEET; THENCE NORTHEASTERLY 33.19 FEET ALONG A 35.50 FEET RADIUS CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 53°33'54" AND A LONG CHORD OF NORTH 84°44'52" EAST 31.99 FEET; THENCE SOUTHEASTERLY 31.12 FEET ALONG A 94.50 FEET RADIUS REVERSE CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 18°52'06" AND A LONG CHORD OF SOUTH 77°54'14" EAST 30.98 FEET; THENCE SOUTHEASTERLY 34.27 FEET ALONG A 35.50 FEET RADIUS REVERSE CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 55°18'12" AND A LONG CHORD OF SOUTH 59°41'11" EAST 32.95 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE FOR GREEN VALLEY ROAD; THENCE ALONG SAID RIGHT OF WAY LINE AND SAID BOUNDARY LINE SOUTH 32°02'05" EAST 10.00 FEET; THENCE NORTH 57°57'55" EAST 12.00 FEET; THENCE SOUTH 32°02'05" EAST 44.05 FEET; THENCE SOUTHEASTERLY 14.86 FEET ALONG A 153.00 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 5°33'55" AND A LONG CHORD OF SOUTH 34°49'02" EAST 14.86 FEET; THENCE SOUTH 37°36'00" EAST 36.75 FEET; THENCE SOUTHEASTERLY 59.80 FEET ALONG A 447.00 FEET RADIUS CURVE TO THE

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RIGHT THROUGH A CENTRAL ANGLE OF 7°39'55" AND A LONG CHORD OF SOUTH 33°46'03" EAST 59.76 FEET; THENCE SOUTH 29°56'05" EAST 24.60 FEET; THENCE SOUTHEASTERLY 92.27 FEET ALONG A 2517.50 FEET RADIUS CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 2°06'00" AND A LONG CHORD OF SOUTH 30°59'05" EAST 92.26 FEET; THENCE SOUTH 32°02'05" EAST 544.50 FEET; THENCE NORTH 89°59'12" WEST 270.18 FEET TO THE POINT OF BEGINNING.

CONTAINS 185,067 SQUARE FEET OR 4.249 ACRES

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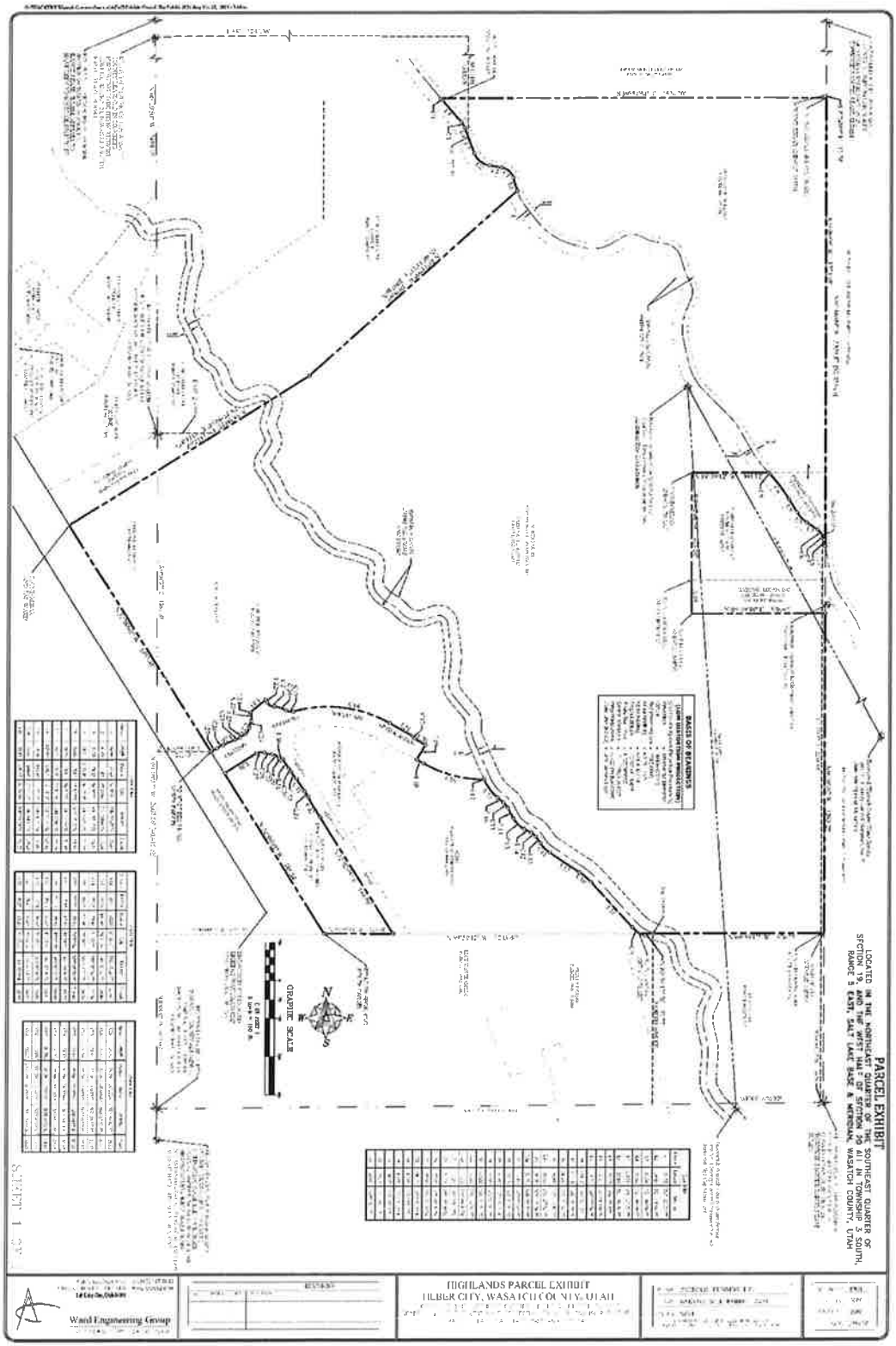

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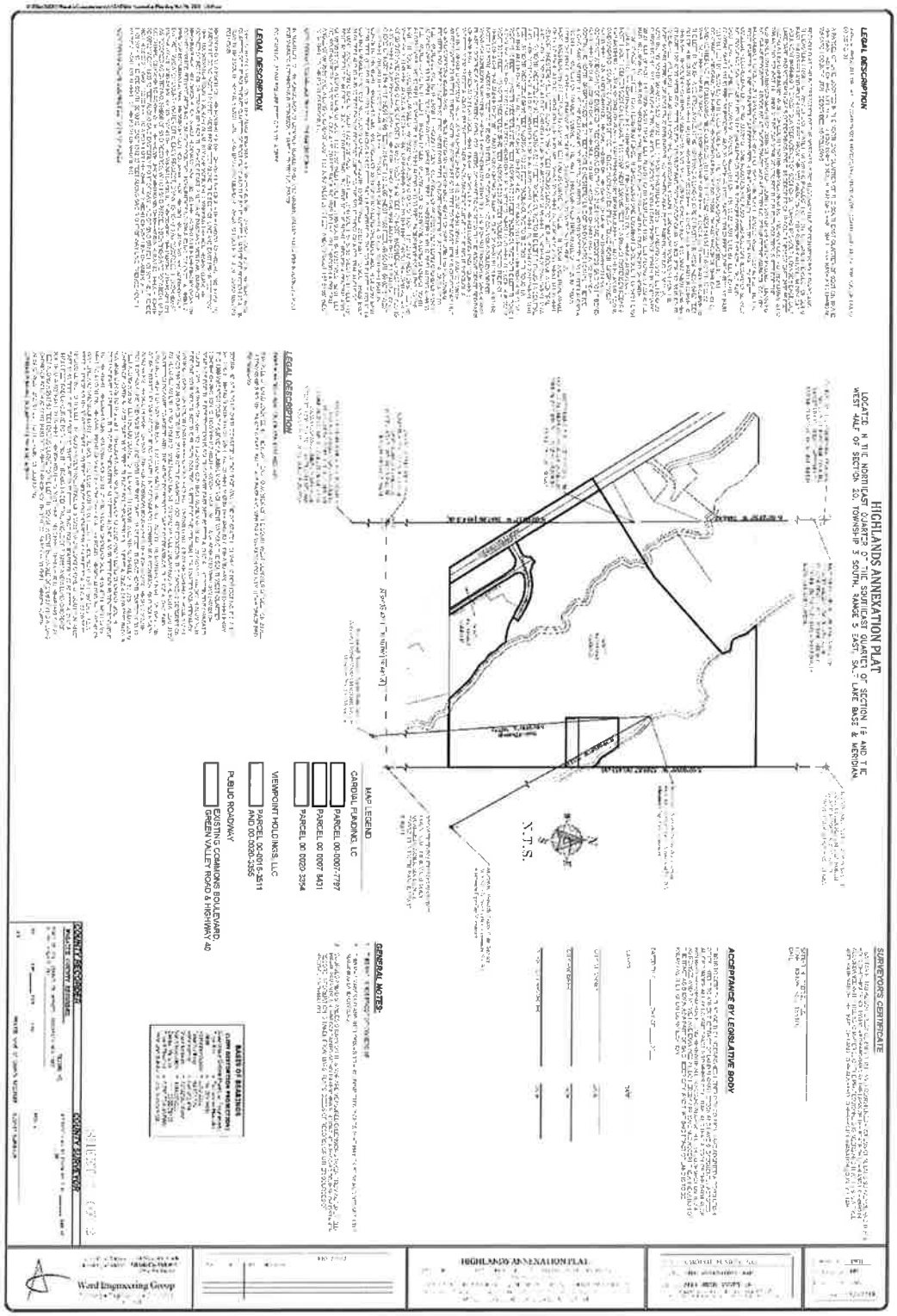

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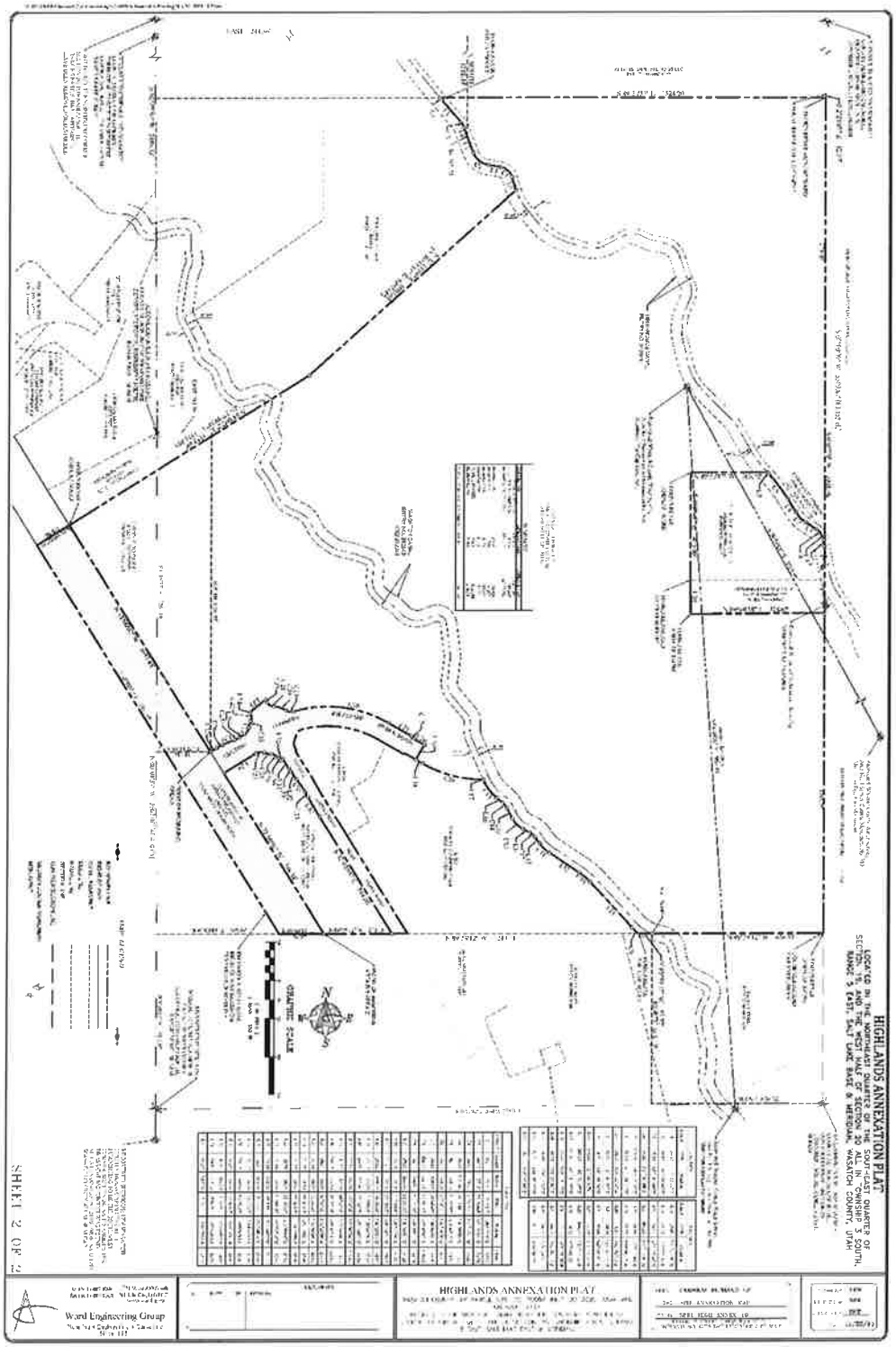

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Design Guidelines

THE HIGHLANDS

A Master-Planned Community

MDA-Exhibit "B"

DESIGN GUIDELINES

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Design Guidelines

RESIDENTIAL DEVELOPMENT

1.0 INTRODUCTION

The information in the Highlands Residential Design Guidelines is for Estate/ Custom Homes,Traditional Single-Family (front & alley loaded garage), Patio Homes, Courtyard Homes, Carriage Homes, Duplex/Paired Homes, Town Houses and Multi-Family Dwellings development governing the appearance and use restrictions within the Highlands Development. The intent of these guidelines is to preserve the integrity of the land use plan and its proposed configurations. It is possible that each neighborhood as it is developed may have additional design guidelines that are meant to clarify those outlined here.

Individual homes are anticipated to be accessed from public, private and local streets; however, a sub-local street standard or shared driveway may be used. These neighborhoods will be characterized by a variety of lot sizes and architectural types. Variations in setbacks, both in front and back and from side to side are encouraged. To the greatest extent possible, subdivision design shall be such that it takes advantage of the views.

Community open space will be provided in the form of passive open space, parks, public spaces and trails and paths to encourage connectivity to other developments and to the regional trails network. Entry features and other streetscape enhancements will provide open space character to the neighborhoods.

The guidelines and requirements within this document will help to ensure that the visual quality and desirability that form the basis for investing in the Highlands Development remains stable for both current and future residents. These guidelines, in addition to the following documents:

1. Highlands Master Development Agreement (HMDA)
2. Highlands Masterplan Plan (HMP)
3. Highlands Covenants, Conditions and Restrictions (CC&R's)
4. NVOZ – North Village Overlay – Heber City Chapter 18 district & development standards. NVOZ District Guidelines shall govern where omission within these documents occurs.

shall guide the decisions that are made by the Highlands Design Review Committee (HDRC) when reviewing applications for development or construction.

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2.0 DESIGN GUIDELINES

2.1 Purpose and Intent •

This document is intended to be an appendix to the Highlands Master Development Agreement and to govern all residential development and construction within the Highlands Development.

2.2 Use of Design Guidelines •

The Master Developer or subsequent developer shall utilize these guidelines when designing neighborhood and reviewing applications for residential and/or sub-developer construction. These guidelines shall be made available to lot owners at the time of closing.

2.3 Compliance with Guidelines •

Residential construction shall conform to these guidelines. This includes new construction, modifications or additions to existing structures that may or may not require the issuance of a building permit. Landscaping, grading and site development work within the boundary of an individual lot is also covered by the requirements of this document. The guidelines shall equally be applied to both developer-initiated construction as well as that of individual lot owners.

2.4 Modification of Guidelines •

These Guidelines may be modified upon approval of the HDRC in an effort to respond to future development or issues within the Development. Any Modifications or change shall follow the approval procedures as outlined in the Master Development Agreement. The modifications shall become effective upon approval of the HDRC.

3.0 Neighborhood Design

3.1 Streets •

Streets shall follow the Master Transportation Plan and Roadway Cross Sections Plan as identified in the NVOZ. In general, streets shall be designed to meet the level of travel, safety, and service, while incorporating principles of traffic calming and pedestrian compatibility, i.e., tree-lined streets with pedestrian ways and linkages, decreasing the need for pavement width by spreading traffic through a grid or modified street hierarchy system. In general, all neighborhoods shall have two points of access as required by City's Vested Laws.

The use of one or more cul-de-sac streets within a development in the Property will be allowed where:

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Portions of the land otherwise meeting ordinary use requirements would not be reasonably accessible without a cul-de-sac due to topographical, hydrological or other unique limiting conditions; and the cul-de-sac utilizes either a circular turnaround or a hammerhead turn around facility that meets the requirements of the City's Vested Laws at intervals along the cul-de-sac not exceeding every 1320 feet to allow for snow and solid waste removal and emergency traffic.

Private areas and gated streets are allowed as long as adequate emergency vehicle access can be maintained. The overall design should promote lower design speeds.

3.3 Sidewalks and Pathways •

The Highlands Development will include a wide variety of common area walkways, paths, and trails as specified in the NVOZ. The type of construction, size, and location of thesetrails will be determined by developer and the location will be coordinated with the City during the design of each phase of construction. The eventual use and development need will be evaluated when determining the level of facility that is to be built.

3.4 Crosswalks •

Use of crosswalks shall be incorporated within the project, at intersections, within parking lots, or other needed pedestrian connections. Crosswalks shall be so configured to be a design feature of the development, i.e., stamped/colored concrete, heavy painted lines, pavers, edges, and other methods of emphasizing pedestrian use. Bulb-outs and other pedestrian design may be used to shorten walking distances across open pavement. Medians may be used in appropriate areasto encourage walking and to act as a "refuge" for crossing pedestrians. In mountain areas with challenging slopes ADA ramps at the intersection maynot meet ADA specifications in such areas, the developer shall get written documentation from their engineer indicating the reason why the ramps cannotcomply with ADA standards.

3.5 Parcel Lot Size •

Parcels shall be of sufficient size to assure compliance with the approved plat, and the following the NVOZ standards as adopted by the city.

3.6 Open Space •

There are two primary types of Open Space within the development. Both Passive and Active Open Space shall follow the land use plan and satisfy the

open space requirement per the NVOZ.

Passive Open Space – These are areas of the project that are intended to stay undeveloped and retain their natural beauty and would retain a rural feel to the project. These areas may include hillsides, ridgelines, natural drainage corridors, and canyons. These areas might also provide a buffer to adjacent land owners or transition of one land use to another. These areas might include developed trails, roadways to facilitate access, utility corridors, detention facilities, debris basins, swales, and public works facilities.

Active Open Space – These are the developed open space areas of the project. These areas would include community or neighborhood parks, pedestrian walkways, wide parkways, trails and trail heads, playgrounds, ball fields, golf courses, detention areas, tennis courts, swimming pools, pavilions, picnicking areas, camping areas, community / recreation centers, etc. These areas focus on a full range of active recreational facilities. The developer shall develop an active open space area within a quarter mile of each resident within the development. This will help promote a walkable neighborhood and a sense of place within the development

Trails should be designed to follow the Overall Circulation Plan (Exhibit "I" of the MDA), or to take people to destinations within the development or provide for connectivity to adjacent future development by others.

The developer shall dedicate the active and passive open space on a plat by plat or phase by phase basis as shown on the Open Space and Trails Plan. Open space may be dedicated to the city or other entity that is not contiguous to a plat. Open space and park areas shown on the Master Plan and Circulation Plan are for illustrative purposes only and subject to change, however final plat shall prevail. These open spaces are to be dedicated to the Owners Association, City, orother entity. These areas are to remain as intended when platted.

3.7 Intentionally left Blank

3.8 Storm Drainage •

All drainage facilities shall comply with City stormwater management and drainage requirements. Low impact detention techniques are encouraged. Grading should meet aesthetics, safety, and proper drainage. Retaining is preferred over long shallow cut or fill slopes. Retaining walls should be

integrated with landscaping features to provide screening. Walls may be terraced with landscaping on the flat areas

4.0 SITE DEVELOPMENT STANDARDS

Proposed construction of improvements within lots and building sites for Residential homes shall be reviewed and approved according to compliance with the following standards.

4.1 Setbacks •

Residential building setbacks within Highlands shall vary according to lot size and land use. Setbacks are listed in the NVOZ District Guidelines. Additional setback modifications may be granted by the HDRC for housing and/or commercial building types that have not been contemplated in the guidelines or the NVOZ.

4.2 Building Heights •

Main structure building heights for specific densities are as described in the NVOZ District Guidelines, **not to exceed 4 stories.**

4.3 Garages and Accessory Buildings •

The use of recessed and side-turned garages and other configurations as defined in the NVOZ are encouraged. Garages may be attached or detached from the primary residence.

Buildings with front-loading garages flush with front of main building facade must have a covered porch. Other front-loading garages will be evaluated on a case-by-case basis by the HDRC. The visual image of attached garages should be minimized in the streetscape, and the garage proportion should be proportionate to the homes living space. Garage frontage must not exceed 50% of the front façade area. This may be accomplished by the use of structural elements, variation within the building facade or decorative elements on the garage facade.

Front porches and building entries may protrude in front of the garage as allowed by the lot setback. Detached garages or sheds must be similar in style and color to the primary residence. A detached garage must be placed within the side or rear yard area of the lot and must be clearly shown on the siteplan that is submitted for review. Accessory Buildings shall be of a permanent nature and must be of similar construction, materials, and color as the primary residence. All Accessory Buildings must meet required setbacks as specified in the NVOZ and must be screened from public view.

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4.4 Porches, Decks and Overhangs ·
Covered porches, decks and overhangs are required to provide variety to the building facades of each residence while maintaining architectural integrity and unity within the structure. The appearance of 'add-on' elements should be avoided by integrating these elements into the design of the structure. They should generally be designed to be open and inviting. They should not be long, narrow corridors leading to the front door.

4.5 Mailboxes ·
All residential units are to receive mail at designated cluster box locations. Cluster Box locations shall be identified on the Final Improvement Plans.

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5.0 ARCHITECTURAL STANDARDS

The development of the Highlands Property will occur over many years. It is clear that Architectural styles will change with time. A community or neighborhood is physically unified by common design features – which are comprised of a coherent variety of building mass and style, suitable variety of roof types, façade treatment, scale and style of elements, consistency of materials, convincing execution of important details, pleasing array of colors – and the relationship of these features to the public spaces and streets. The buildings in neighborhood, as a combined group, shall contribute to the overall architectural theme and establish an authentic sense of the place. The Architectural Standards within the NVOZ – North Village Overlay Zone District adopted by the City.

The architectural patterns within the Highlands Development will encompass a wide variety of types. Different combinations of material including: stucco, cementfiber siding, masonry, brick, wood, timber, glass and stone are encouraged to be used to complement each and work together to produce a harmonious style. The HDRC shall have broad discretionary powers in the review and approval of architecture.

5.1 Style and Character •

The general style and character of each residence shall be appropriate to The Architectural Standards within the NVOZ – North Village Overlay Zone District adopted by the City and shall meet or exceed NVOZ standards

5.2 Roofs •

The design of the roof should appear as an integrated architectural element. Generally, continuous long roof lines are discouraged. A 30-year architectural grade roofing material is the minimum required for roofs in the Highlands Development. Other shingle materials that meet or exceed the minimum requirement may be approved by the HDRC.

A minimum fascia height of 6" shall be required for all homes. These elements shall be finished to match the finish and color or the trim of accent color of the home. Exposed rafters and open soffits shall only be allowed by the HDRC when they relate to the style of the architecture. In such cases, the soffit and rafters must be painted or stained to match the building. Soffit and fascia finish materials must be approved by the HDRC.

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5.3 Porches and Decks ·
The use of covered porches and decks to extend the living area outdoors is required. The use of railings on porches is encouraged and/or required pursuant to the building code.

Rear decks shall be integrated into the design of the structure. The appearance of a deck supported by 'spindly legs' should be avoided with minimum size support posts of 6"x 6". The HDRC may require the use of structural elements beyond that required by building code to achieve visual balance between the deck and the support structure. The deck must meet the required rear and side yard setbacks as allowed in the NVOZ adopted by the City.

5.4 Retaining·
The use of retaining walls is allowed as long as the wall follows general architectural and engineering standards. Retaining walls should be shown on the site plan as well as a note to identify the type of material(s) to be used for the wall. Walls on individual lots must be located entirely within the boundary of the lot, unless appropriate easements are acquired and recorded. The developer may also use retaining walls to enhance landscaping, provide safe transitions from Open Spaces to Developed Spaces and provide good land planning and drainage throughout the development.

5.5 Contemporary and Technological Conveniences ·
New products and technological conveniences such as satellite dishes may be evaluated and regulated as to location and use by the HDRC. Satellite dishes larger than 24 inches in diameter, and radio and TV antennas taller than 8 feet shall not be permitted except by special permission from the HDRC and the City. Location, visibility from adjacent properties, color and screening will be considered in granting permission for such devices. Approval of such devices shall be considered a 'Conditional Use'. As such, the permit may be withdrawn by the HDRC and the City upon violation of any conditions that were imposed at the time of the approval. In such cases, the device must be removed within 30 days of cancellation of the permit.

5.6 Fencing·
All proposed fencing must be submitted for approval to the Highlands Design Review Committee (HDRC) prior to construction or installation. All requests

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submitted to the HDRC for approval will be reviewed within 30 days from thedate received at the development office.

Property owners should only install fencing on their property. If property lines are not clearly marked, the property owner shall have a surveyor determine and mark the property lines.

Height. Fencing shall not exceed 72" (6') in height along-side and rear property lines, and not exceed 48" (4') along front property lines and along-sideproperty lines from front home wall to front lot line. All heights measured from final grade. Where fencing occurs along a property line separating two lots and there is a difference in grade on the properties, the fence may be allowed to the maximum height permitted on either side of the property line.

Allowed Fencing. All fencing materials must be wood. See examples below. Chain link and vinyl fencing is prohibited. Fencing color shall be earthtones; white color is prohibited. Note: These adopted guidelines void any previous standard or guidelines. All fencing materials within a front yard or side yard adjacent to a public street must be transparent in nature. See examples below.

Privacy Fence (max. height 6'

Open Space Fence (max. height 4'-0")

* Open space fence allowed to have 2" x 4" wire mesh for pet containment.

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Transparent Fence Types permitted in front yards or side yard adjacent to a public street.

Rail Fencing

Welded Wire Fencing

Rod Iron Fencing

Prohibited Fencing

5.8 Accessory Commercial Uses •
Home offices are permitted in the Highlands Development provided they meet all requirements as specified in the Heber City Code and a commercial business license has been issued by the city. The HDRC must be notified by the applicantof the request for a business license located within the subdivision. Additional restrictions may be requested by the HDRC at the time the license is issued. Theuse of business signage is prohibited.

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6.0 LANDSCAPE STANDARDS

The landscape standards shall be outlined for each phase of development depending on the type of development. The natural landscape of the Highlands Project is high mountain desert. This overriding character should be preserved within the development. In order to minimize the use of water and to integrate the development within the natural landscape the use of lawns is discouraged. Choice of plants should include native and drought tolerant species, such as those suggested by Utah State University Extension, "Selection and Culture of Landscape Plants in Utah" (https://digitalcommons.usu.edu/cgi/viewcontent.cgi?article=1725&context=extension_histall)

Residential Units shall have no more than 1000 SF of sod total. Each subdivision shall comply with the following minimum standards, but additional standards maybe required. The Builder/Applicant for HDRC approval shall be required to implement these standards as well a landscaping deposit. Failure by the builder/applicant to complete the required landscaping as outlined in section 7.0 will result in loss of the associated escrowed deposit. The escrow requirement maybe changed or waived by Highlands at its sole discretion. The HDRC shall have broad discretionary powers in the review and approval of landscaping.

6.1 Landscape Planting

Each lot or residential parcel shall meet or exceed the following landscape standards:

Front Yard Landscaping - The front yard area (including park strips) of each lot or parcel must be landscaped by the builder/applicant prior to issuance of the 'Certificate of Occupancy'. When 'C of O' occurs during fall or winter months (defined as November 1 to April 30), the builder/applicant shall be required to install front yard landscaping by June 30th of the following year. It is the builder/applicant's responsibility to ensure that front yard landscaping is installed within the timeframes listed above. After installation of front yard landscaping is complete, 50% of the escrowed amount may be released upon written request by the builder/applicant.

The minimum requirements for front yard landscaping (based on square footage of front yard area) is as follows:

A. 2 trees (2" caliper min. measured 3' from ground level) located along a public road right-of-way.
B. 6 shrubs (5 gallon) per 600 sf
C. 2 evergreen shrub (5 gallon) per 600 sf

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D. Sod or natural grasses
E. Underground Irrigation System

Park Strip Landscaping – Any street with park strip areas adjacent to the front, rear and side yard areas of each lot are to be landscaped by the builder/applicant and maintained by the homeowner or homeowner association as designated by each neighborhood's CCRs. No materials other than the approved trees or native seed mix may be installed in park strip areas. Drought tolerant landscaping is preferred, such as those designs suggested by Utah Water Savers (https://utahwatersavers.com. Street trees shall be located within the park strip between the sidewalk and curb. Clearzones for visibility and safety must be considered when locating street trees on corner lots. The side park strips on corner lots must follow the rule of 1 tree every 30'. All street tree species shall be in conformance with the approved City tree list. Any tree that is placed in the park strip that is contrary to the approved tree list may be removed and replaced with an appropriate tree by the HDRC at the lot builder/applicant's expense.

Rear Yard Landscaping - The rear yard area of each lot or parcel must be landscaped by the builder/applicant within 90 days of the issuance of the 'Certificate of Occupancy'. When 'C of O' occurs during fall or winter months (defined as November 1 to April 30), the builder/applicant shall be required to install rear yard landscaping by June 30th of the following spring. After installation of the rear yard landscaping is complete, the remaining 50% of the escrowed amount may be released upon written request by the builder/applicant.

The minimum requirements for rear yard landscaping are as follows:

A. 3 Trees (2" cal. min. measured 3' from ground level)

The balance of the rear yard shall be landscaped with native seed mix, sod (not to exceed the total permitted 1000 SF requirement for the yard), ground cover, planting beds, or a vegetable garden.

Side Yard Landscaping - The side yard area (including park strips) of each lot or parcel must be landscaped by the builder/applicant prior to the issuance of the 'Certificate of Occupancy'. The minimum requirements for side yard landscaping shall be the installation of native grass mix, ground cover or planting beds. On corner lots, the side yard facing the street shall be treated as a

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front yard and landscaped accordingly by the builder/applicant.

All landscaping is required to be installed with an automatic irrigation system. Irrigation systems must be designed to minimize impact to site yet provide enough moisture to ensure healthy plantings. The use of a water conserving drip irrigation system is encouraged.

Landscaping in the Patio Lots and Multifamily areas shall conform to the above listed standards where applicable but should also provide a landscape plan as part of the site plan submittal to the City. The Landscaping in these areas should be designed to help soften the density and generally should be maintained under a Home Owners Association.

6.2 Erosion Control Planting or Measures •
All graded areas of any lot may be required to install temporary erosion control plantings or similar erosion control measures in advance of the final landscape installation. All final landscape plans must address erosion control issues for the home, the lot and any drainage easements that may exist along the lot boundaries. Homeowners may not alter or remove any existing permanent erosion control, drainage system improvements, or any other permanent infrastructure without prior approval from the HDRC. Erosion control plans shall be submitted to the HDRC for review and approval.

All erosion control plans must follow current SWPPP standards.

6.3 Plantings Adjacent to Development Open Space •
Private residential plantings along Development open spaces should be planned to provide for screening and privacy where desired by the homeowner. A hard, mowable edge or a planting bed with a spun fabric weed barrier is recommended along the boundary. As maintenance within the common areas may vary and planting may be limited to native vegetation this will help to minimize weed intrusion into the residential landscape. Placement of private landscaping within the common area is not permitted. Any such plantings may be removed by future development without notice or compensation to the homeowner. Maintenance to control weeds and fire hazards within the common areas by the owner of an adjacent property may be permitted upon approval of the HDRC.

6.4 Recommended Plant Materials •
Plantings within the Highlands Development common areas and rights-of-way park strips shall be selected from the approved list in The NVOZ

'Recommended Plant Materials'. Lot owners should use this list as a guide for individual landscape planting plans within the development. Plants listed as 'Prohibited' are not allowed within the Highlands development.

6.6 Maintenance •

Each owner, at the Owner's sole cost shall be responsible for the maintenance and repair of all landscaping on the Owner's lot or parcel. This includes the area between the street curb and park strip behind the curb. All landscaping shall be maintained in good condition including but not limited to irrigation, mowing, fertilization, pruning, pest and disease control, trash removal, fencing, or any other improvement within the landscaped area. Dead, damaged or dying plant materials and damaged or deteriorating structural elements shall be removed or replaced as soon as possible when an unsightly or potentially hazardous condition becomes apparent. It is possible that the maintenance may be the responsibility of the Home Owner's Association and this will be identified in each neighborhoods CCRs.

6.7 Weed Control •

Each owner shall be responsible to control weed growth on their lot or parcel. Weeds may not be permitted to exceed 6" in height with the exception of common area parcels that are planted in native vegetation. Any vegetative growth that is deemed to be a fire hazard by the municipal authorities shall be removed within 5 business days at the owner's expense. This requirement shall apply to both developed and undeveloped properties.

7.0 LIGHTING AND MISCELLANEOUS SITE FEATURES

The intent of this section is to provide security and safety for sidewalks, pathways, and streets while preserving the night-time sky. All lighting shall comply with the City's Dark Sky standards.

7.1 Site Lighting •

The provision of adequate lighting while maintaining the rural nature of the surrounding areas is an important design goal for the Highlands Development. Streetlights will be installed along public roads. Local roads will be lit per the City street lighting standards and are required to use Dark Sky compliant fixtures.

Pathway Lighting – Pathways within the core areas of the commercial and multifamily development may be illuminated subject to safety needs. These light fixtures shall be of a bollard type of light or a low height pole lamp directed downward. Illumination levels shall be chosen based on the intended

use of the pathway, location within the Development, safety criteria and City approval.

House Lighting - All exterior light fixtures on residences must be dark sky compliant subject to safety needs. Security lighting installed on a residence shall be concealed from the street view by locating it under eaves or in niches built into the architecture and painted to match the structure. The use of any light source with a color other than white or pale yellow shall be prohibited except for holiday lighting.

Landscape Lighting - Landscape lighting is permitted within each lot as long as it meets the intent of the 'House Lighting' section outlined above. All landscape lighting shall be low voltage and of commercial quality. Landscape lighting shall be used for accent lighting and not for general illumination of the residential lot.

Holiday Lighting and Decorations - Holiday lighting and decorations shall not become a nuisance to neighbors. Holiday lighting and decorations may be displayed for a period of (45) days prior to and (30) days after the holiday it is intended for.

7.2 Fixtures and Appurtenances •

All fixtures and appurtenances such as lighting, benches, bike racks, mailboxes and street signs in private areas shall be selected by the HDRC. The use of any fixture within the public areas of Highlands must be reviewed and approved by the HDRC and Heber City.

8.0 SIGNAGE

Signage continuity is important to the long-term values within Highlands. The formulation of a Development identity will be governed by the HDRC. All builders shall be required to submit sign programs and designs to the HDRC for approval prior to installation of any sign within the Highlands Development.

8.1 Temporary Signage •

Real estate, construction and similar temporary signage shall be governed by the HDRC. Signs must be maintained in a clean and safe manner. Any damaged sign must be repaired or removed immediately.

8.2 Flags and Flagpoles •

All flags and flagpoles, whether permanent or temporary, must be approved by the HDRC. However, this shall not prohibit the displaying of the American or

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State Flags. An exception to this requirement shall be the placement of no more than two (2) poles not exceeding five feet each in length on an approved structure. Flags on these poles may not exceed fifteen (15) square feet each.

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Design Guidelines

Appendix Exhibits located in the Master Development Agreement (MDA).

Exhibit **A** – Property
Exhibit **B** – Design Guidelines
Exhibit **C** – Infrastructure Plan
Exhibit **D** – Master Plan
Exhibit **E** – Secondary Access Roads
Exhibit **F** – Approval Process
Exhibit **G** – Outsourcing
Exhibit **H** – Project Park
Exhibit **I** – Conceptual Circulation Plan and Roadway Cross Section
Exhibit **J** – Land Disturbance Permit
Exhibit **K** – City's Vested Laws

EXHIBIT C
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Infrastructure Plan – Roadway Infrastructure

*Plan Subject to MDA requirements

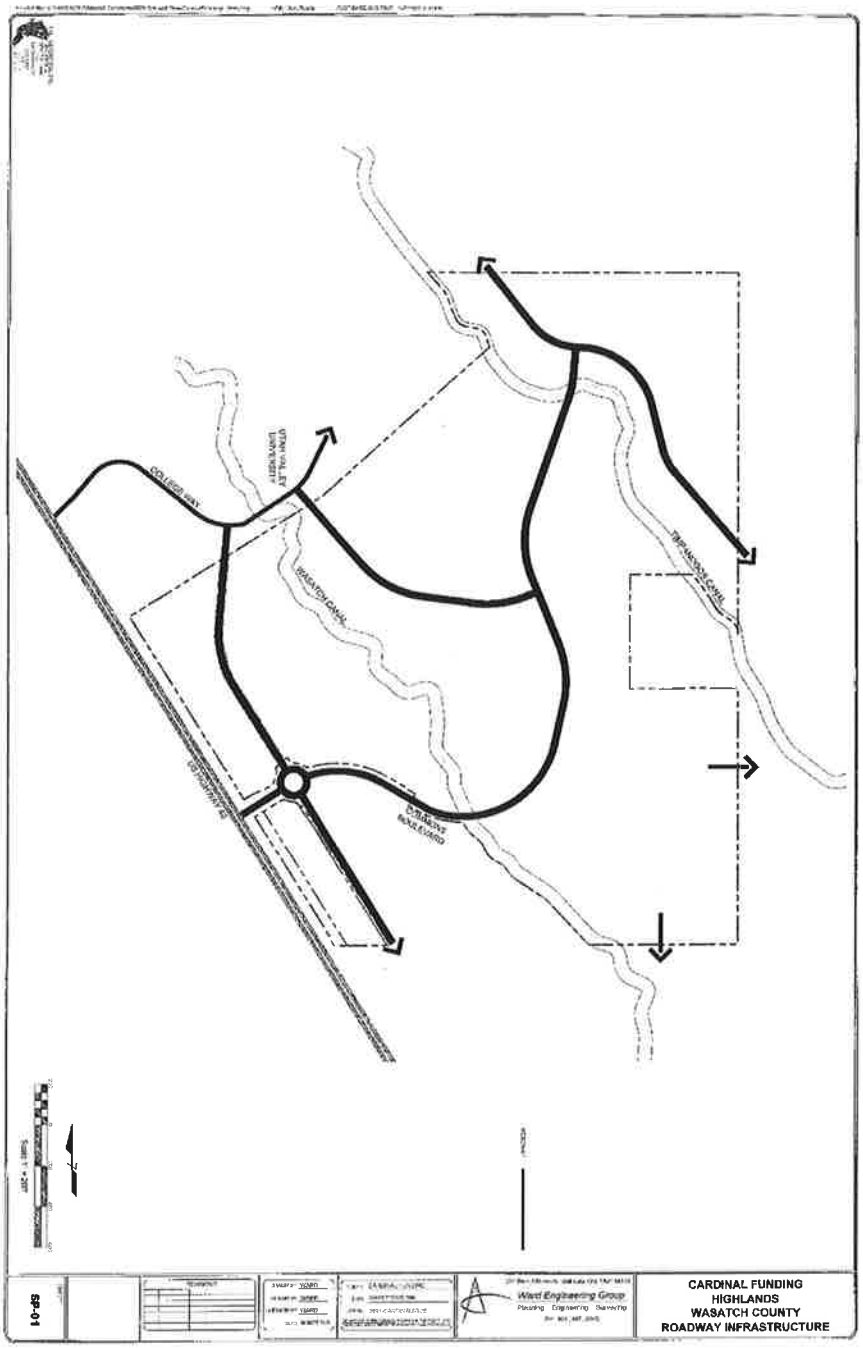

EXHIBIT C
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Infrastructure Plan – Water Infrastructure

*Plan subject to North Village Special Service District requirements

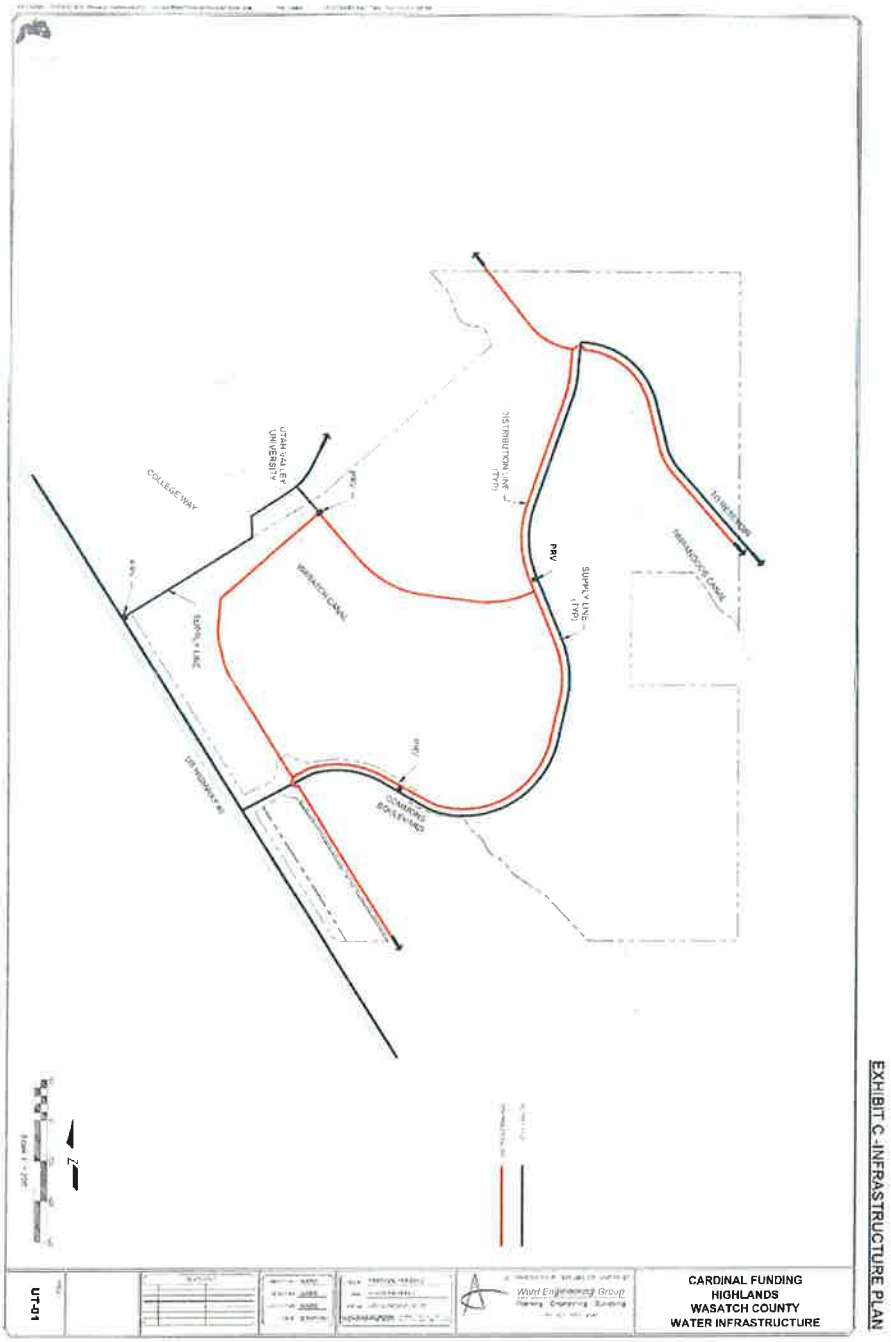

EXHIBIT C
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Infrastructure Plan – Irrigation Infrastructure

*Plan subject to North Village Special Service District requirements

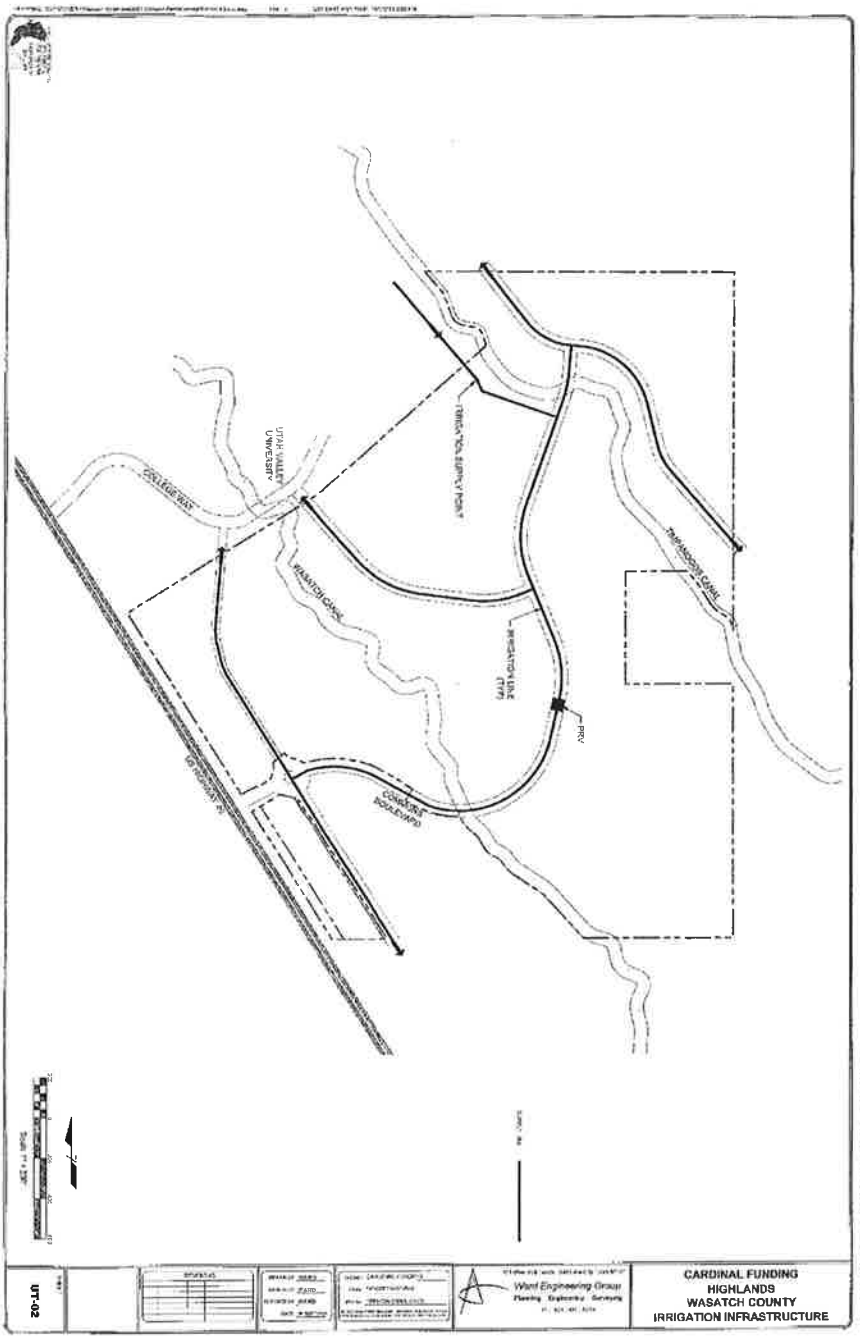

EXHIBIT C
to
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Infrastructure Plan – Sewer Infrastructure

*Plan subject to North Village Special Service District requirements

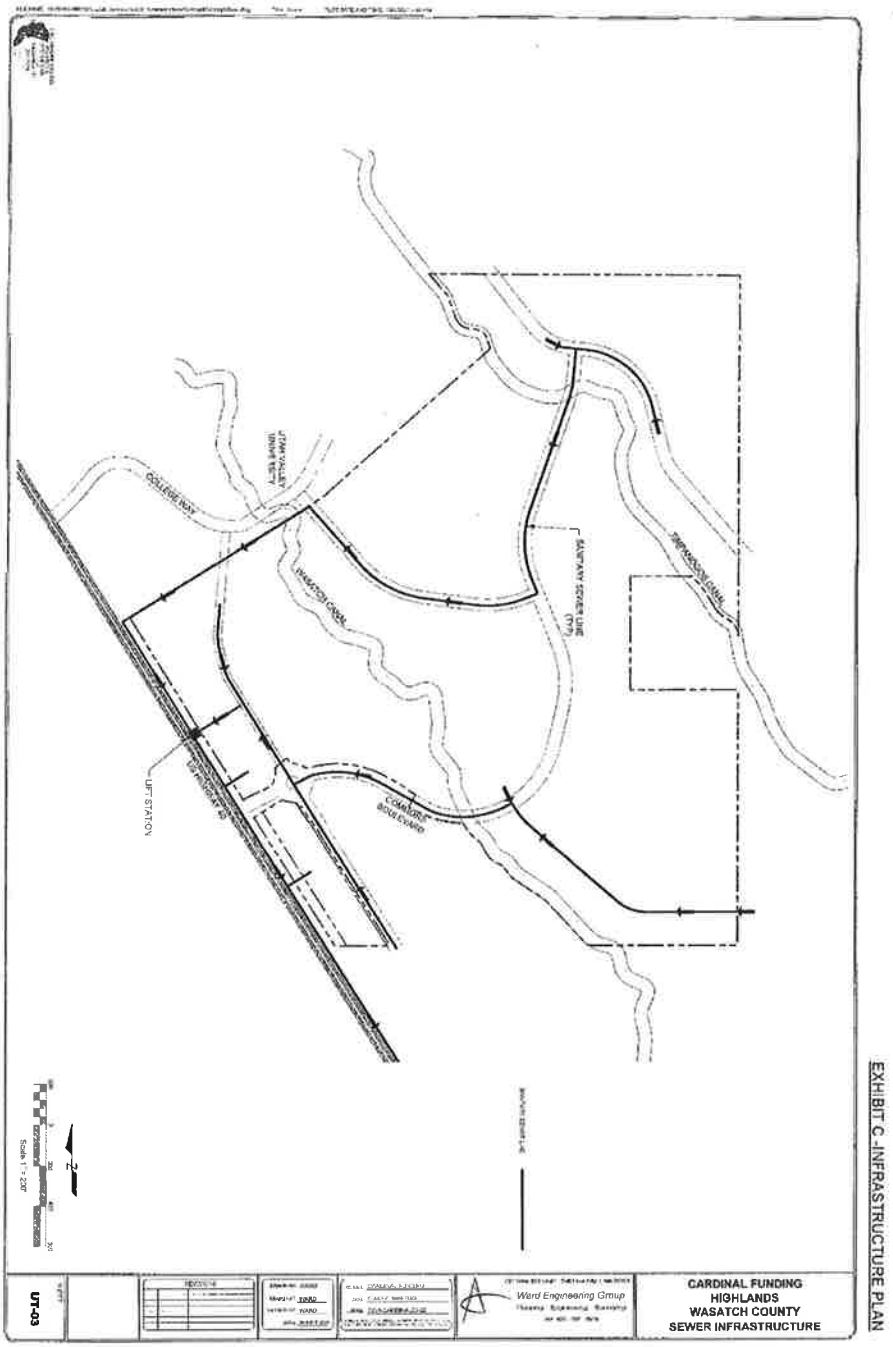

EXHIBIT C
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Infrastructure Plan – Storm Water Infrastructure

*Plan subject to MDA requirements

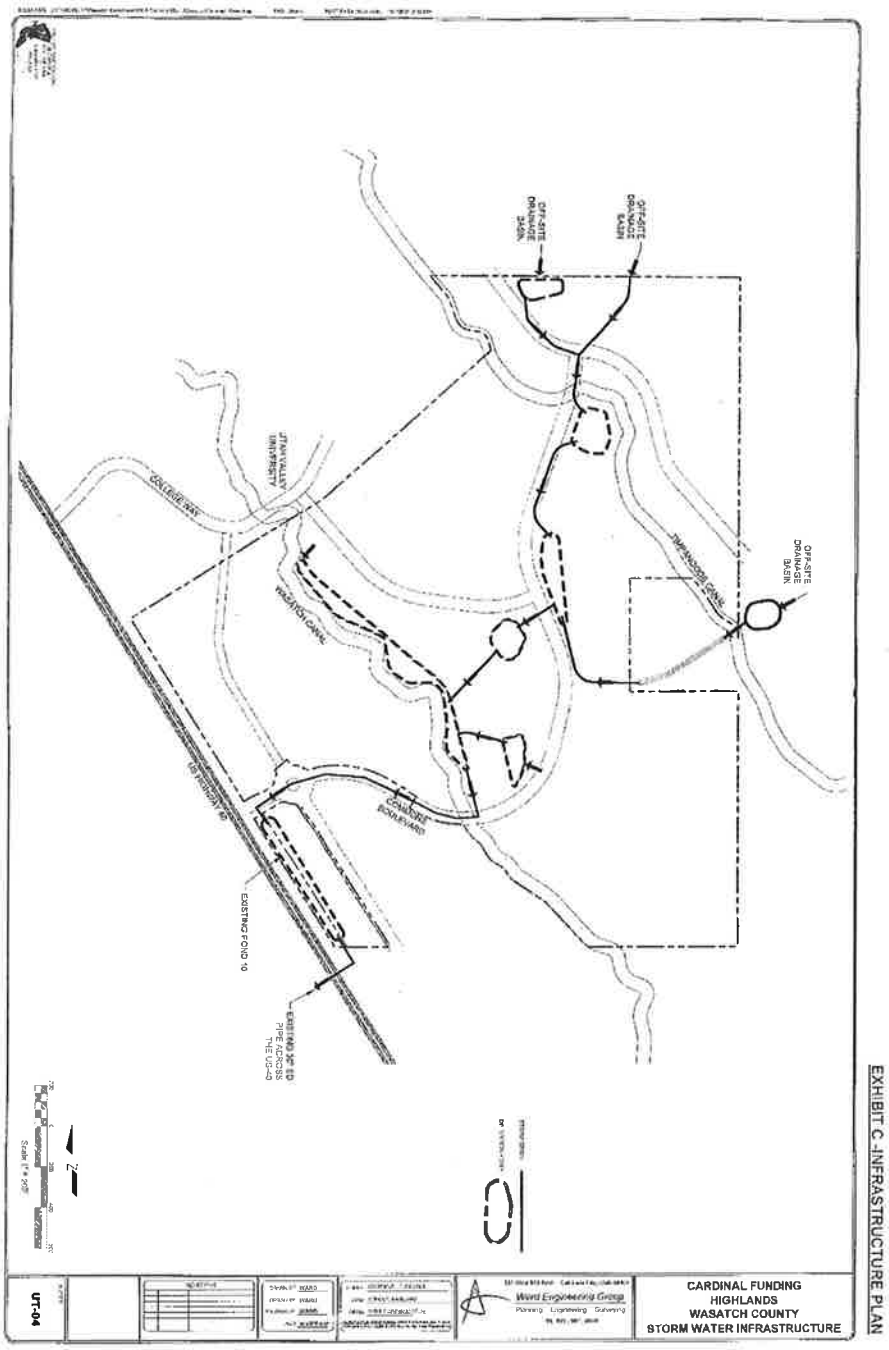

EXHIBIT D
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Master Plan

EXHIBIT E
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Secondary Access Roads

*Plan subject to MDA requirements

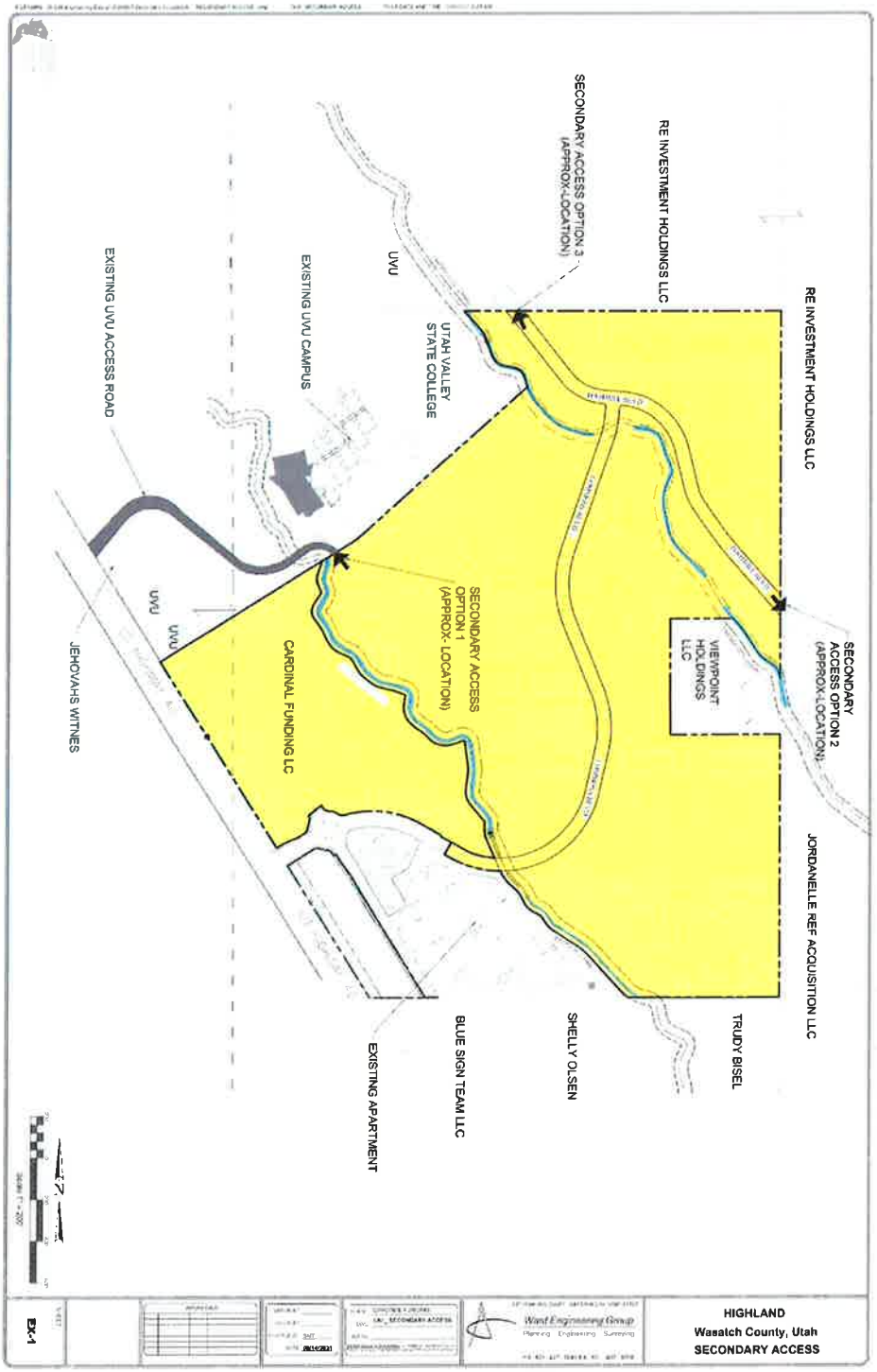

EXHIBIT E - SECONDARY ACCESS ROADS

EXHIBIT F
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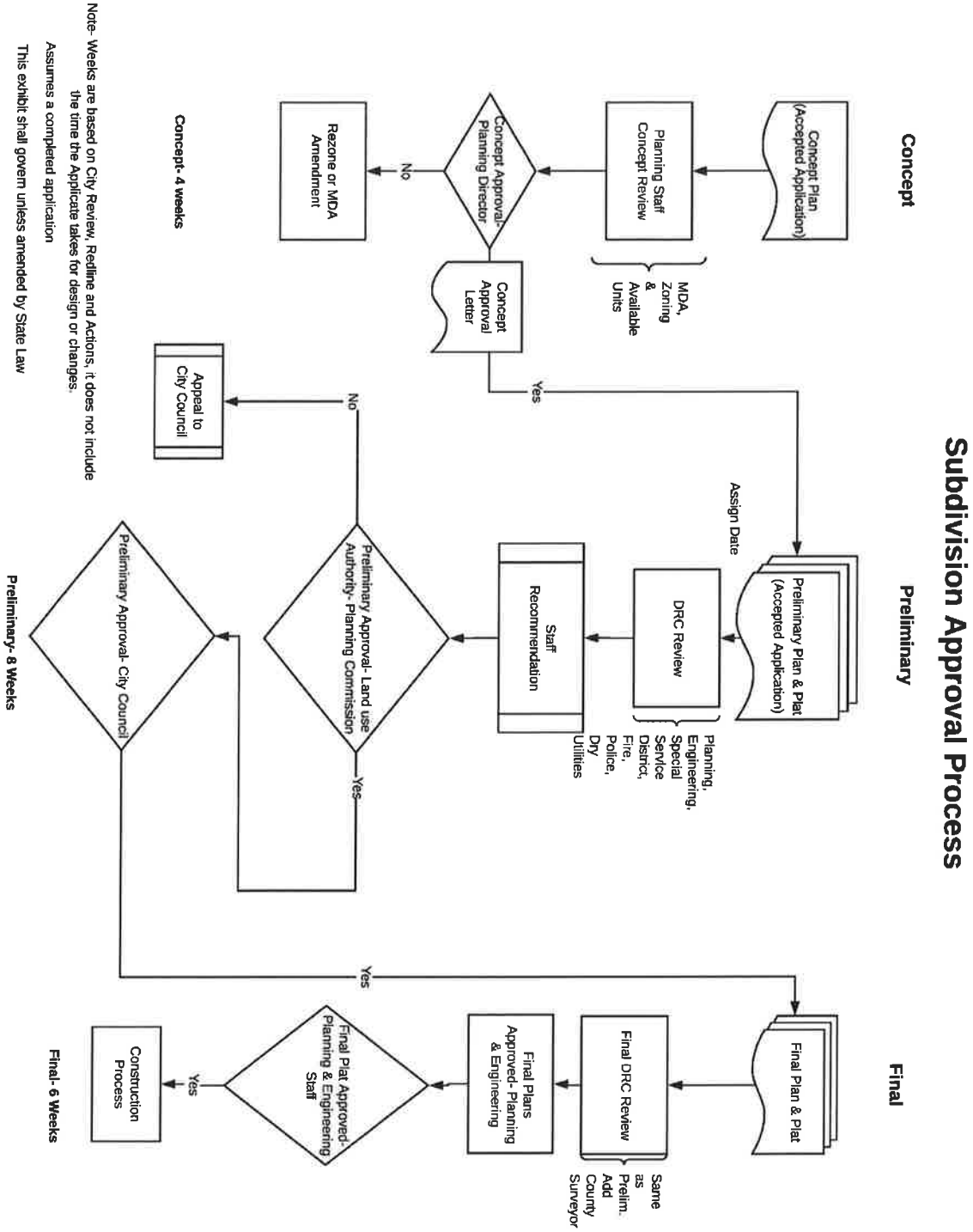
Approval Process



Note- Weeks are based on City Review, Redline and Actions, it does not include the time the Applicate takes for design or changes.

Assumes a completed application

This exhibit shall govern unless amended by State Law

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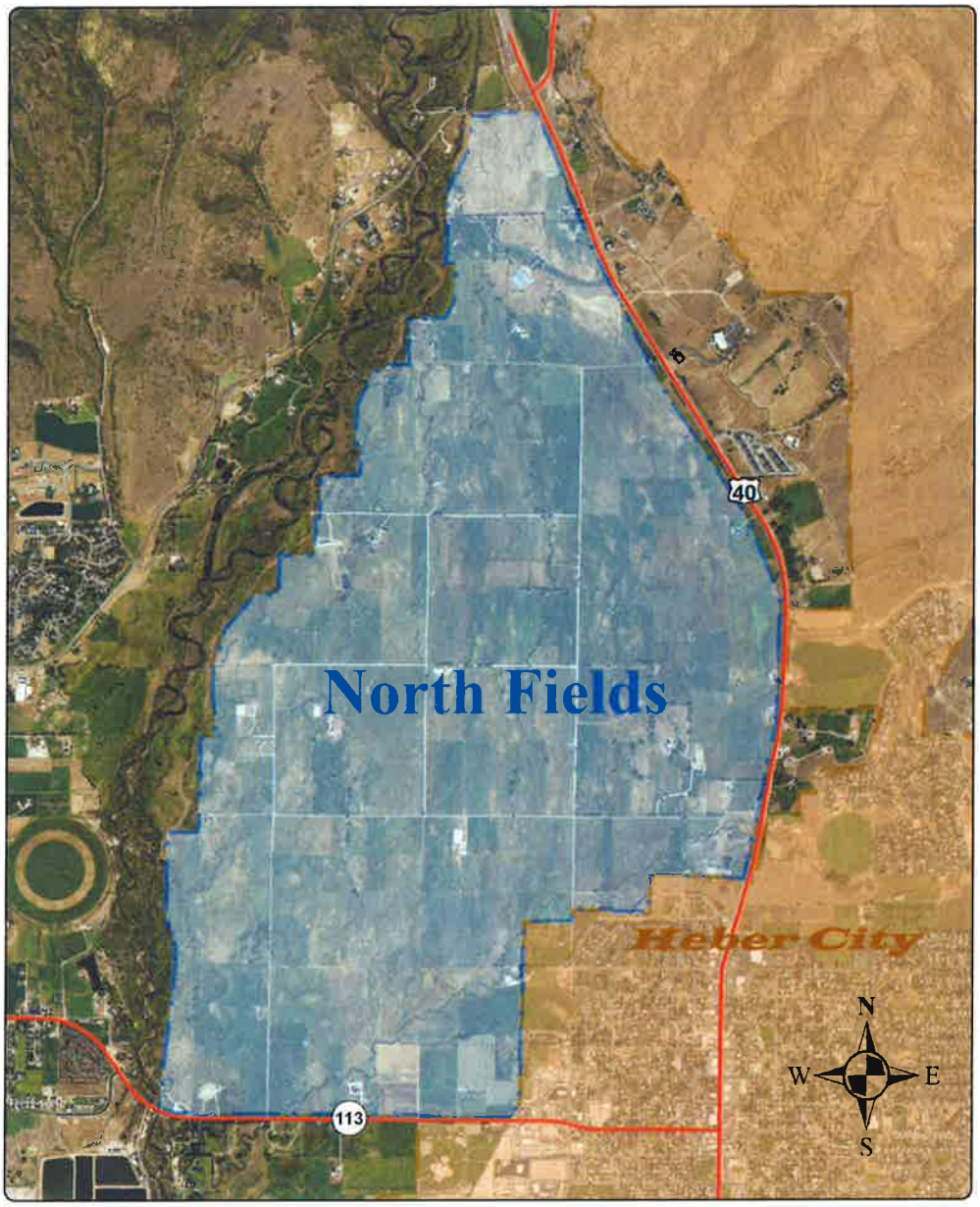
Depiction of North Fields Area

Those lands lying west of the Provo River, South of River Road, West of Highway 40, North of State Route 113 and North and West of Heber City's municipal boundary.



North Fields
December 7, 2021

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Project Park

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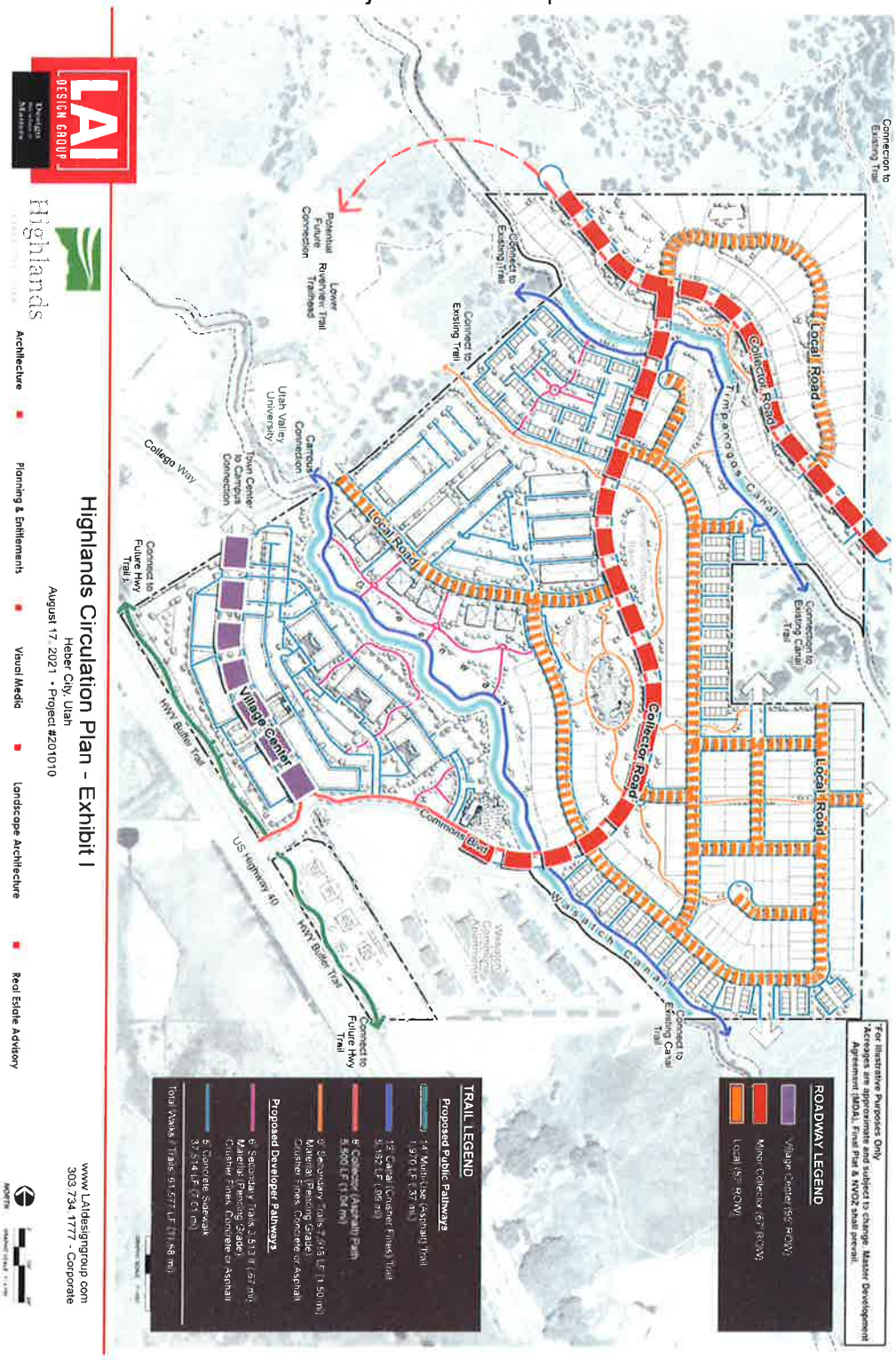
Conceptual Circulation Plan and Roadway Cross Section

*Plan subject to MDA requirements



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Roadway Cross Section – Minor Local

4.6 RESIDENTIAL/MINOR LOCAL

1. Intent

The residential street is a low capacity street designed for slow speeds with a standard right-of-way. It primarily serves those residences or businesses directly adjacent to it. Refer to the typical plan and section, Figure 4.6 (2).

2. General Requirements

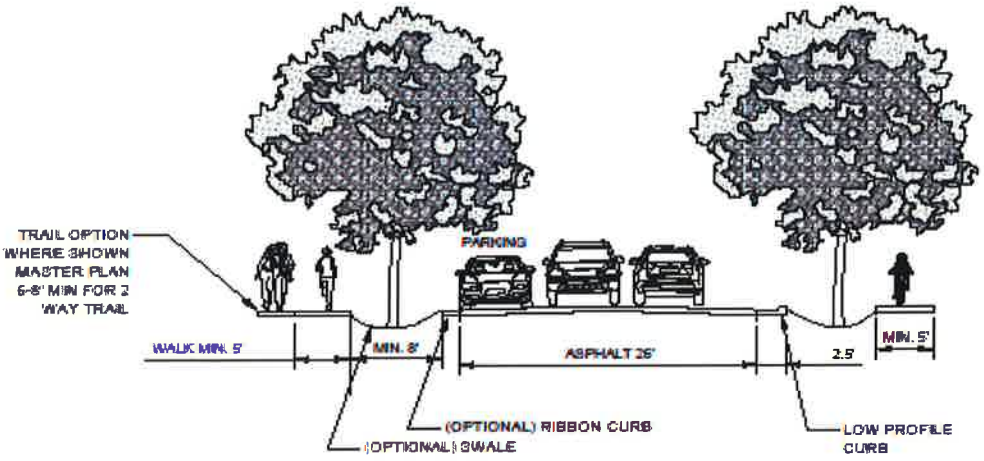
The neighborhood street shall be developed using the standards in Table 4.6 (1).

Figure 4.6 (1). Neighborhood Street Illustration

Residential Street Requirements	
Permitted Districts	NV NOS UV RR
Typical Right-of-Way Width	57' (with trail 64')
Vehicular	
Travel Lanes	2 lanes
Lane Width	10'
Allowable Turn Lanes	Not applicable
Parking Lanes [1]	Parallel on side of street
Pavement Width	26' (curb to curb 31')
Median	Permitted only for turning
Bicycle Facilities [2]	Shared
Pedestrian	
Pedestrian Facilities	Minimum 5' wide clear sidewalk on both sides
Swale/Park Strip	Minimum 8' wide, w/streetlights, trees, and landscaping;

[1] Reference 4.4 for on-street parking requirements
[2] Reference 4.5 for bicycle facility types and requirements

Table 4.6 (1). Neighborhood Street Requirements.



42Figure 4.6 (2). Neighborhood Street Options

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Roadway Cross Section – Major Local

4.7 RESIDENTIAL/MAJOR LOCAL

1. Intent

The residential street is a low capacity street designed for slow speeds with a standard right-of-way. It primarily serves those residences in the mountain and hillside areas. Refer to the typical plan and section, Figure 4.7 (1).

2. General Requirements

The complete street cross section and plan shall be developed using the standards in Table 4.7 (1).

Mountain Residential Street Requirements	
Permitted Sub-Districts	NV NOS UV RR
Typical Right-of-Way Width	Min 62' (with trail 70')
Vehicular	
Travel Lanes	2 lanes
Lane Width	11'
Allowable Turn Lanes	Occasional flared intersections with collector streets
Parking Lanes [1]	Parallel
Pavement Width Max	32' (curb to curb 37')
Median	None
Bicycle Facilities [2]	Shared or separated bike lane
Pedestrian	
Pedestrian Facilities	Minimum 5' Sidewalks with trail option
Swales/ Park Strip	Required see cross section

[1] Reference 4.4 for on-street parking requirements
[2] Reference 4.5 for bicycle facility types and requirements

Table 4.7 (1). Residential Street Requirements

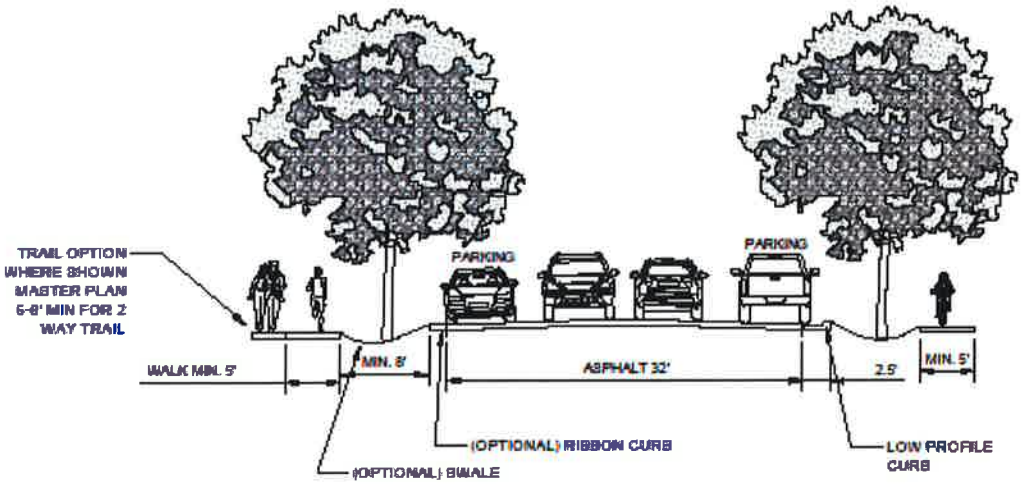

Figure 4.7 (1). Residential Street

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Roadway Cross Section – Village Center

4.8 Village Center Street

1. Intent

The village center street is designed first for pedestrians, buildings, and street life and second for vehicular traffic, see Figure 4.8 (1). The street is intended for slow speeds and high pedestrian traffic. Sidewalks are wide and have the capacity for on-street dining, shopping, and street life.

2. General Requirements

The complete street cross section and plan shall be developed using the standards in Table 4.8 (1).

Benches for patrons shall be located perpendicular to the street or adjacent to the building facing the street and may be designed as part of a planter box. Concept and construction drawings shall include street, sidewalks, trees, street lights, tree grates, bike racks, trash receptacles, and street furniture. Bulb-outs (curb extension) are required at mid-block crossings and intersections.

Village Center Street Requirements	
Permitted Sub-Districts	NV UV
Typical Right-of-Way Width	95'
Vehicular	
Travel Lanes	2 lanes
Lane Width	11'
Allowable Turn Lanes	Yes
Parking Lanes [1]	Diagonal
Pavement Width Max	60' (curb to curb 65')
Median	Planted median with turning lanes
Bicycle Facilities [2]	Shared
Pedestrian	
Pedestrian Facilities	Minimum 7' wide clear sidewalk on both sides
Bulb-Out	Required at intersections and mid-block crossings
Lighting	12'-16' LED/dark sky light fixtures required every 40' depending on schematics
Park Strip	Minimum 8' wide w/ trees, lighting, and street furniture (benches, bike racks, trash receptacles, etc.)

[1] Reference 4.4 for on-street parking requirements
[2] Reference 4.5 for bicycle facility types and requirements

Table 4.8 (1). Village Center Street Requirements

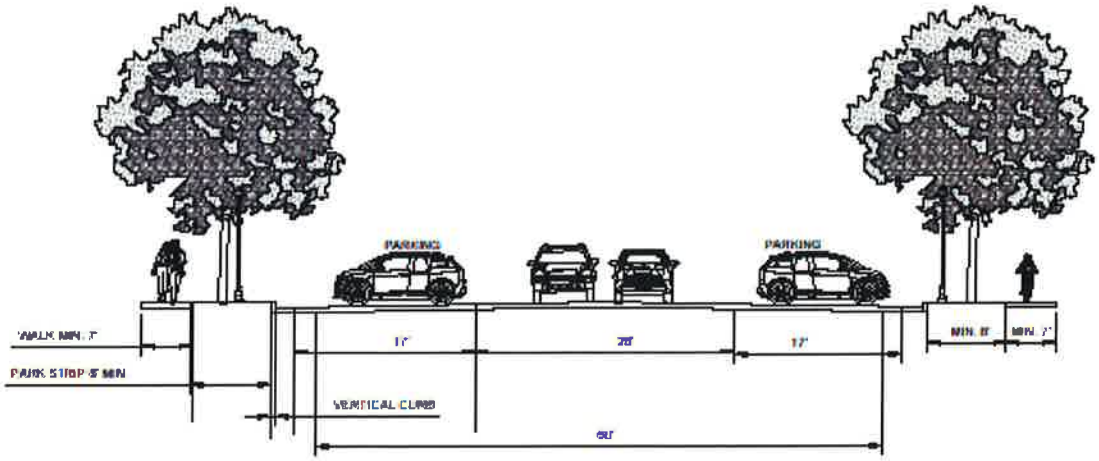

Figure 4.8 (1). Village Center Street.

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Roadway Cross Section – Major Collector

4.9 Village Connector (Major Collector)

1. Intent

The village connector street is a mid-range capacity street designed for moderate speeds, with a standard right-of-way. It primarily serves to connect the North Village and the University Village areas and provides an alternate route to state highways. Refer to the typical plan and section, Figure 4.9 (1).

2. General Requirements

The complete street cross section and plan shall be developed using the standards in Table 4.9(1).

Mountain Connector Street Requirements	
Permitted Sub-Districts	NV NOS UV RR
Typical Right-of-Way Width	70' - 90'+
Vehicular	
Travel Lanes	2 - 12' lanes, with 5' bike lanes on each side which are dropped if trail is provided
Lane Width	12'
Allowable Turn Lanes	Approved by zoning administrator/city engineer, generally at intersections
Parking Lanes	None
Pavement Width Max.	34' (44' curb to curb)
Median	Planted median with occasional turn lanes
Bicycle Facilities 1	5' bike lanes each side or separate trail
Pedestrian	
Pedestrian Facilities	Minimum 12' wide paved trail per City trails plan and Regulating Map
Swale/Park Strip	Varies with a minimum of 8'

Table 4.9 (1). Village Connector Street Requirements

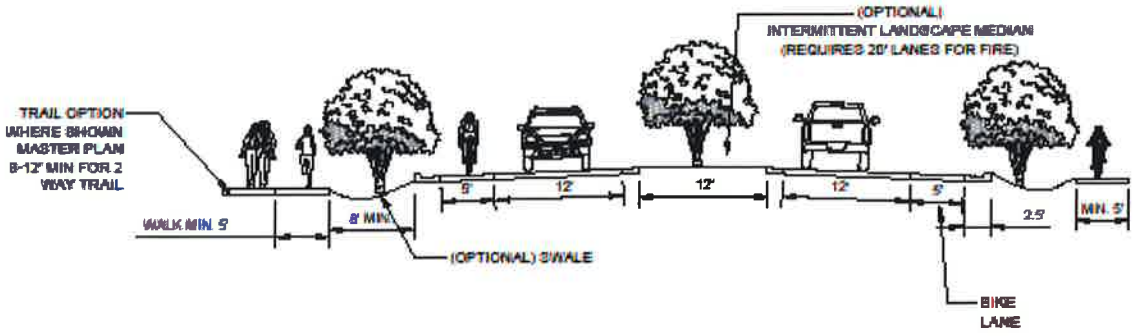

Figure 4.9 (1). Village Connector Street

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Roadway Cross Section – Minor Collector

4.9 Neighbor Connector (Minor Collector)

1. Intent

The neighborhood connector street is a mid-range capacity street designed for moderate speeds, with a standard right-of-way. It primarily serves to connect neighborhoods and those residences in the mountain and hillside areas. It also provides an alternate route to state highways. Refer to the typical plan and section, Figure 4.9 (1).

2. General Requirements

The complete street cross section and plan shall be developed using the standards in Table 4.9(1).

Neighborhood Connector Street Requirements	
Permitted Sub-Districts	NV NOS UV RR
Typical Right-of-Way Width	Min. 69' (74' with trail)
Vehicular	
Travel Lanes	2 lanes, with 7' shoulders on each side
Lane Width	12'
Allowable Turn Lanes	Approved by zoning administrator/city engineer for intersections
Parking Lanes [1]	On shoulder
Pavement Width Max	38' (curb to curb 43')
Median	Planted median with turning lanes
Bicycle Facilities [2]	Shared on street or on separated trail
Pedestrian	
Pedestrian Facilities	Minimum 5' sidewalks and trail option
Swale/Park Strip	Minimum 8'

[1] Reference 4.4 for on-street parking requirements
[2] Reference 4.5 for bicycle facility types and requirements

Table 4.9 (1). Neighborhood Connector Street Requirements

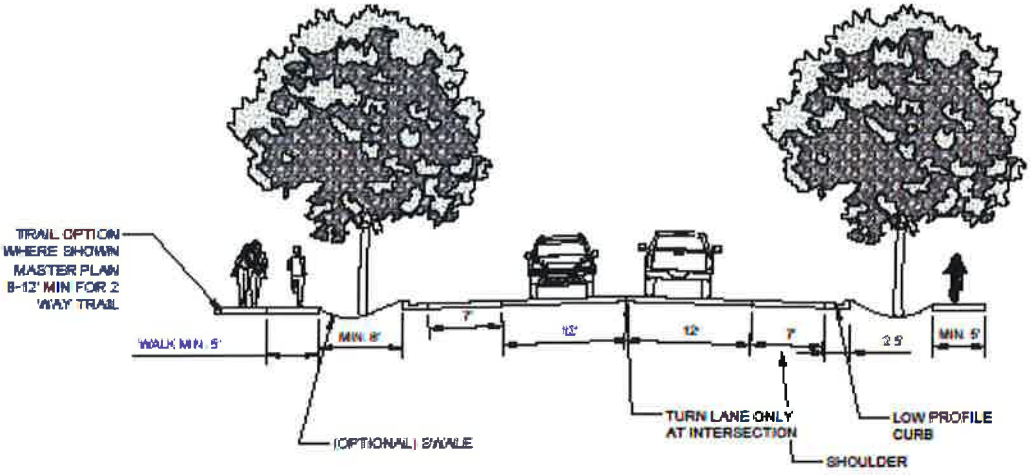


Figure 4.9 (1). Neighborhood Connector Street

EXHIBIT I
to
DEVELOMENTMENT AGREEMENT
FOR THE
HIGHLANDS MASTER PLANNED COMMUNITY

Land Disturbance Permit

File #_____

HEBER CITY LAND DISTURBANCE PERMIT

75 North Main, Heber City, UT 84032
Phone (435) 657-0892 bnumford@heberut.gov

APPLICANT TO COMPLETE

Applicant: _____ Phone: _____
Mailing Address: _____ Email: _____

Project Address: _____ Parcel #: _____
Subdivision _____

Contractor: _____ Phone: _____
Liability Insurance Carrier: _____ Policy #: _____
Contractor's License #: _____ Email: _____

Date Work Begins: _____ Date of Completion: _____

PROJECT DESCRIPTION AND INFORMATION:

_____
_____

Type of Grading: [ ] Regular Grading (<1,000 cy) [ ] Engineered Grading (>1,000 cy)

Overall Disturbed Area: _____ acres	Cut Area: _____ acres	Fill Area: _____ acres
Overall Perimeter: _____ ft	Avg Depth: _____ ft	Avg Depth: _____ ft
Overall Volume: _____ cy	Est Volume: _____ cy	Est Volume: _____ cy

APPLICANT hereby requests a Heber City LAND DISTURBANCE PERMIT for the above described project. By signing this application, Applicant agrees to act as the responsible party for all work and restoration. Permit becomes null and void if work is not commenced within 180 days, or if work is not completed within eighteen (18) months of the approval date, unless extended in writing by the City Engineer. Permits are not valid for work in the Public right-of-way. A Pre-Construction meeting with Heber City is required prior to commencing any work. A final City inspection and all restoration must be complete prior the permit completion date.

I hereby certify that I have read and examined this application and know the same to be true and correct. All provisions of laws and ordinances governing this type of work shall be complied with, whether specified herein or not. I understand that granting this permit does not presume to give authority to violate or cancel any provisions of other state or local laws regulating this work and construction.

Applicant's Signature: _____ Date: _____

_____
(Printed Name)

CITY TO COMPLETE

SUBMITTAL REQUIREMENTS:

1. Completion/Restoration Bond. [ ] Cash, [ ] Letter of Credit. (110% of Attached Est Cost.) $_____
2. Review & Inspection Deposit (Additional fees will be charged if deposit is exceeded) $_____
3. SWPPP & NOI from State DEQ Division (If over 1 acre.)
4. Grading plan / Construction drawings (Include accurate topography showing contours of existing and proposed elevations)

ADDITIONAL CONDITIONS OF APPROVAL:

- Applicant to provide dust control plan approved by City, prior to beginning work.
- Permit excludes any underground utility work.
- Applicant is responsible for all subsequent modifications to work done prior to having approved/signed construction drawings.
- Provide NOI Notice of Termination after final City inspection and City work completed approval letter.

Heber City Permit Approved by: _____ Date: _____

Upon completion of work a final City inspection must be completed and any outstanding defects corrected. Thereafter, bond shall remain in place for a one year warranty period, after which, if there are no further defects found, bond will be released.

Master Grading Permit.docx

EXHIBIT K
to
DEVELOMENTMENT AGREEMENT
FOR THE
HIGHLANDS MASTER PLANNED COMMUNITY

City's Vested Laws

For the City's Vested Laws, reference the North Village Overlay Zone (NVOZ). Adopted by the City Council of Heber City, Utah, Chapter 18.81 on Match 16th, 2021.

HEBER CITY POLICY STATEMENT:
ESTABLISHING PUBLIC INFRASTRUCTURE DISTRICTS

This policy statement addresses the criteria under which Heber City will consider applications for proposed Public Infrastructure Districts (the "District"). Compliance with these criteria shall not obligate the City to approve formation of the District. The Governing Document will be subject to approval by the City in both form and substance. The criteria are intended to serve as guidelines for the review of letters of intent and Governing Documents.

The purpose of the Public Infrastructure District (PID) tool is to fund infrastructure. Initial, upfront costs of development can be significant, and the PID tool partially alleviates these costs. In addition, the relative cost savings associated with the funding is intended to help expedite development, create more desirable properties with notable amenities, and permit for development where typical market conditions may not permit construction. Ultimate PID costs are paid for by the end user, and PID financing is not a financial obligation of the jurisdictional entity. Consequently, Heber City Corporation is not responsible for debt payments associated with any approved Public Infrastructure District.

For Heber City, the PID tool may help to accomplish key considerations of the city vision. As captured in the "Envision Heber 2050" comprehensive plan, Heber has adopted the following framework in relation to development:

- Preserve the open lands that surround Heber
- Create friendly neighborhoods and centers that focus homes, jobs, shopping, and recreation into places where Heber residents and others can gather and interact regularly
- Enhance and strengthen downtown – the heart of the Heber community
- Grow, promote, and diversify recreational opportunities

In addition to these central guidelines contained in the "Envision Heber 2050" visioning efforts, the city intends to further foster some of the following development framework:

- Encourage housing variety that results in an increase of attainable residences for those making near or less than the area median income
- Provide housing options, both "for sale" and "for rent," for employees in industries such as education, government, etc.
- Create opportunities for sustainable and environmentally focused developments

Proposed Public Infrastructure Districts (PIDs) will be evaluated on the criteria to follow, with consideration for their ability to further the above intentions of Heber City. This policy statement is divided into three sections:

1. **Process for applying including fees charged**
2. **The City's decision-making criteria**
3. **Governing Document requirements**

I. Process and Fees

Any proposed Public Infrastructure District will be considered in relation to the best interests of the City. Such interests include using the most appropriate financing mechanism for the type and magnitude of the improvements to be financed and appropriate governance mechanism. If through the review process, a Public Infrastructure District is determined to be the most appropriate mechanism, the process, the criteria, and requirements provided herein will apply, unless otherwise waived by the City.

A. Letter of intent to form a Public Infrastructure District

The applicant shall submit a letter of intent containing the following information in summary form. This letter will be used by staff to make a preliminary determination about the appropriateness of a District and must be submitted prior to submittal of a draft Governing Document. A positive staff response to the Letter of Intent does not assure approval of the Governing Document.

Letter of Intent contents:

1. Description of District area including size, location, area context (significant natural and man-made features, major public improvements, adjacent development), development history, and proposed development;

2. Description of proposed development within the boundaries of the proposed District including general distribution of land uses and densities and phasing of development;

3. Summary of needed infrastructure, services and facilities:

    a. Currently expected development scenario;

    b. Required local and regional infrastructure and facilities for such development;

    c. Regional and local infrastructure the proposed District is to provide;

    d. Estimated construction costs for the proposed District improvements;

    e. General description of phasing of construction based on development projections;

    f. Anticipated maximum or fixed maximum mill levy required to meet debt service of the District;

    g. Analysis of proposed mill levies in light of outstanding debt and mill levies of other taxing entities affecting the area; and

    h. A sample plan of finance depicting the possible sources and uses of funds for the District.

    i. A summary overview of the differences between the proposed development *with* a Public Infrastructure District in place and the plan *without* a Public Infrastructure District. This will identify key components of the proposed development that are made feasible by the approval of a district.

4. Proposed timeline for District creation.

5. Acknowledgement that a consent must be signed prior to the hearing date for the governing document by all property owners and registered voters, if any, within the proposed District boundaries approving of the creation of the proposed District and consenting to the issuance of debt in an amount sufficient for the proposed plan of financing.

6. Disclosure of any conflicts of interest between the applicant and the officers and employees of the City.

7. Copies of signed engagement letters between the applicant and applicable consultants and legal counsel retained by the City and/or the proposed District whereby applicant agrees to pay fees related to the review of the application and governing document.

B. Review Process

1. The District Advisory Committee ("DAC") is a City committee that advises the Mayor, City Council and other policy-makers about district issues. The DAC includes representatives of the departments of [Community Planning and Development, Law, Revenue, Public Works and Budget and Management,] as well as other agencies as needed.

   The DAC will review the letter of intent utilizing these criteria to determine whether or not to direct the applicant to proceed with preparation of a draft Governing Document for submittal. Conceptual approval does not assure approval of the governing document.

C. Governing Document

1. If the concept for the District as contained in the letter of intent is approved, the City staff will work jointly with applicant and legal and financial advisors to submit a draft Governing Document to the City DAC.

2. The draft Governing Document will be reviewed by the DAC for compliance with the criteria and requirements contained herein. The DAC will discuss with appropriate policy-makers issues that arise during this drafting period to have such issues resolved.

3. The final Governing Document will be forwarded to City Council for action through the standard City and statutory processes.

D. Fees

No request to create a Public Infrastructure District shall proceed until the fees set forth herein are provided for. All checks are to be made payable to Heber City Corporation and sent to the City Manager's Office. Payment of fees does not obligate Heber City Corporation to approve Letters of Intent, Governing Documents, of formation of the District.

1. Letter of Intent: A Letter of Intent is to be submitted to the City Manager's Office and a $2,000 fee shall be paid at the time of submittal of the Letter to cover the cost of staff review.

2. If the applicant proceeds to the submittal of a Governing Document an application fee of $5,000 shall be submitted concurrent with the draft Governing Document.

3. Other Expenses: In the event the costs of review exceed the application fee, the applicant for a District shall pay all reasonable consultant, legal, financial advisor, and other fees and expenses incurred by the City in the process of reviewing the draft Governing Document prior to adoption and other such fees and expenses as may be necessary to interface with such District. All such fees and expenses shall be paid within 30 days of receipt of an invoice for these additional fees and expenses.

II. Criteria for Evaluating Proposed Public Infrastructure Districts

A. Public Benefit

Formation of a District bestows certain benefits on the District's proponents and is expected to provide public benefit consistent with the Creating Entities policy goals. Components of public benefit to be considered may include:

1. Resulting development that is in conformance with the Municipality's Comprehensive Plan ("Envision Heber 2050") and all applicable supplements;

2. Provision of and/or contribution to needed regional and sub-regional infrastructure;

3. Sustainable design including multimodal transportation, water conserving landscape design, thoughtful development phasing, green building design, and formation of and participation in transportation management programs;

4. Mixed-use development that includes a variety of housing types and prices, a range of employment opportunities, retail and consumer services, and civic amenities; and

5. High quality site and building design, including street connectivity, multimodal street design, durable construction materials, and pedestrian-friendly building design.

B. Evaluation Criteria

These criteria provide thresholds for consideration. Compliance with some or all of these criteria is desired; however, alternative approaches may be considered.

1. Districts should not include land that is already included within the boundaries of another public infrastructure district without express provision in an adopted Governing Document. In such cases, the relationship with the existing districts must be addressed in the Governing Document.

2. A District planning to levy more than 10 mills of tax in the District for repayment of limited tax bonds will not be considered without sufficient justification as to why additional mills

are necessary and reasonable for the development.

3. There must be a demonstrated public benefit directly resulting from the creation of the District and its undertakings as described in the Governing Document.

C. Evaluation of Applicant

The following criteria relating to the applicant and the development will be considered:

1. Historical performance of the applicant (within and outside of the City);

2. The current proposed plan of finance of the District;

3. The current development plans relationship to the master plans of the City; and

4. The regional, economic development, or overall benefits to the City from the proposed plan of finance.

III. Governing Document Requirements

In addition to statutory requirements, a Governing Document memorializes the understandings between the District and the City, as well as the considerations that compelled the City to authorize the formation of the District. The Governing Document for the proposed District shall contain and will be reviewed for compliance with the following policies and requirements.

A. District Description

1. Description of District area including size, location, area context (significant natural and man-made features, major public improvements, adjacent development), development history within the proposed district boundaries, and proposed development scenario (land uses by type and intensity and general urban design character).

2. Description of the public benefit resulting from the creation of the District and its undertakings.

3. Itemization and description of all needed infrastructure (both regional and local) and facilities in the District's area.

4. Explanation of the relationship, if any, between the District and any other public infrastructure districts with overlapping boundaries. If more than one district is proposed to be created within an inclusion area, describe how ultimate district boundaries will be determined.

5. Estimated construction costs of such infrastructure.

6. General description of phasing of construction based on development projections and phasing.

7. Provide the following financial plan information:

a. Proforma financial overview of total costs and total revenues from all revenue sources;

b. An example plan of finance showing a proposal of how the proposed financing might take place, recognizing that the actual financing terms and structure will be approved by the board of trustees of the District (the "Board") within the parameters of this Governing Document;

c. Comparison of the mill levies of similar taxing entities in the area;

d. Proposed operating budgets for the District's first three years of existence; and

e. Any other forms of public financing and assistance being sought, including assessment areas.

8. Description of the ultimate ownership and provision for the ongoing operating and maintenance costs for infrastructure.

9. Description of any proposed divisions and an inclusion/exclusion process as appropriate.

10. Proposed governance plan, including Board structure and to transition from appointed Board to elected Board.

B. Requirements and Expectations

1. The planned ownership of the Improvements, including any relationship with an existing statutory district must be addressed in the Governing Document.

2. All debt issued by the District for which a tax is pledged to pay the debt service shall meet the requirements of all applicable statutes.

3. Land, easements or improvements to be conveyed or dedicated to the City and any other local government entity shall be conveyed in accordance with the related standards at no cost to the City.

4. All public infrastructure within the District which will be connected to and owned by another public entity shall be subject to all design and inspection requirements and other standards of such public entity.

5. The District shall not pledge as security any land, assets or funds to be transferred to the City.

6. The District shall be subject to City zoning, subdivision, building codes, and all other applicable City ordinances and regulations. Approval of the Governing Document shall not bind the City to approve other matters which the District or developer may request.

7. The District shall pay all fees and expenses as provided in the Governing Document.

8. The District may not double tax, whether by mill levy, assessment, impact fees, or any combination thereof, any end user for the costs of Improvements.

C. Disclosure and Reporting Requirements

Disclosure of the existence of the District to property owners and potential property owners within the District is important and the following actions to be taken by each District shall be included in the Governing Document.

1. Within 30 days after the formation of the District, the Board shall record a notice with the county recorder:

   a. Containing a description of the boundaries of the District;

   b. Stating that a copy of the Governing Document is on file at the office of the City;

   c. Stating that the District may finance and repay infrastructure and other improvements through the levy of a property tax;

   d. Stating the maximum rate that the District may levy; and

   e. If applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion.

2. Applicant, homebuilders, commercial developers, and commercial lessors, as applicable, shall be required to disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants:

   a. All of the information required under (1)(b) above;

   b. A disclosure outlining the impact of any applicable property tax, in substantially the following form:

   "Under the maximum property tax rate of the District, a primary residence valued at $[insert average anticipated residential property value] would have an **additional annual property tax of $_____** for the duration of the District's Bonds. A business property valued at $[insert average anticipated commercial property value] would have an **additional annual property tax of $_____** for the duration of the District's Bonds."

   c. Such disclosures shall be contained on a separate colored page of the applicable closing or lease documents and shall require a signature of such end user acknowledging the foregoing.

3. At least annually following the formation of the District, the District shall notify (by mail, e-mail, or posting to the District's website) property owners in the District of the existence of the District and of the next scheduled meeting of the Board of the District. Such meeting shall occur at least 30 days and not more than 60 days following the date of the notice. Such notification shall include names and contact information of the Board of Directors and

officers, the address, telephone and fax numbers, and e-mail address of the District, and shall include reference to the existence of a District file maintained by the City as described below.

4. The District shall provide the following information to the City Manager's Office on an annual basis, and the District shall create and maintain a file for public review of the following information.

    a. Annual District budget;

    b. Annual financial report or audit of the District, as applicable under relevant statutory provisions;

    c. Total debt authorized and total debt issued and presently planned debt issuances;

    d. Names and terms of Board members and officers and progress towards milestones required for transition to elected Board;

    e. Rules and regulations of the District regarding bidding, conflict of interest, contracting, and other governance matters, if changed;

    f. List of current interlocal agreements, if changed (to be delivered to the City upon request);

    g. List of all current contracts for services or construction (to be delivered to the City upon request);

    h. Official statements of current outstanding bonded indebtedness, if not previously received by the City;

    i. Current approved Governing Document, if changed; and

    ~~j.~~ District Office contact information.

5. The following shall be considered significant changes to the Governing Document, thereby requiring approval by the City:

    a. Exclusion or inclusion of property without Governing Document and Statute required approvals;

    b. Change in the maximum mill levy;

    c. Consolidation with any other district; and

    d. Change in the dissolution date.

Submittal Instructions

All letters of intent, draft Governing Documents, annual financial information, and additional documents and requested information should be submitted to the City Manager's Office:

Heber City Corporation

75 North Main Street

Heber City, Utah 84032

435-657-788

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	North Village Storm Water Discussion
RESPONSIBLE:	Russ Funk
DEPARTMENT:	Engineering
STRATEGIC RELEVANCE:	Infrastructure Sustainability Necessary Administrative Action

SUMMARY

The purpose of this item is to present the history relating to the North Village Storm Water Master Plan, provide Council with some updated information, and verify if the current direction is supported by the Council or if potential changes are warranted.

RECOMMENDATION

Consider the information presented by staff and provide direction to staff relating to a planned update of the North Village Storm Water Master Plan.

BACKGROUND

In 2022, Heber City adopted the current version of the North Village Storm Water Master Plan after a multi-year effort of planning, gathering input and data, and coordinating with numerous interested stakeholders. In 2023, the City adopted the related Impact Fee Analysis which put into place the Impact Fees to pay for the system improvements associated with that plan. In general, the plan consisted of constructing large basins upstream of the developments in the North Village area to detain natural storm water runoff and protect new development from potential debris flows. This alternative was selected as an alternative to releasing these storm runoff flows into the North Fields.

DISCUSSION

During design and implementation of this plan, new information has come forward relating to the Hazard Classification rating of some of the embankments (dams) associated with the planned basins. This information suggests that some, including the largest basin planned for the Coyote Canyon Drainage, may be classified as High Hazard Dams.

The Hazard Classification rating of a dam refers to the potential consequences of dam failure. A High Hazard rating indicates the likelihood for loss of human life in the event of a failure.

Ultimately, the owner of a dam is responsible and liable for a dam under their ownership. Dam owners are required to comply with State and Federal regulations relating to dam ownership,

inspections, and maintaining the dam in a safe condition. Owning a High Hazard classification dam doesn't substantially change the overall general requirements of a dam owner, but does result in more responsibility, liability and potential cost than owning a lower hazard dam.

Does the potential for creation and ownership of a High Hazard dam cause the Council to reconsider the current direction of the North Village Storm Water Master Plan?

FISCAL IMPACT

CONCLUSION

ALTERNATIVES

1. Continue with the current direction of the Master Plan
2. Consider other possible solutions including discharge of natural storm water runoff to the North Fields
3. Other

POTENTIAL MOTIONS

ACCOUNTABILITY

Department: Engineering
Staff member: Russ Funk, City Engineer

EXHIBITS

1. Master Plan History Presentation
2. Final Design Sheets for First NV Basins Under Construction

Heber City's
New Storm Water Master Plan & Design Requirements

HISTORY REFRESHER

Presentation Overview

Historic Drainage Patterns

Irrigation Canals & Highway Construction

Challenges

Original Plan to Address Storm Water

Stake Holder Input/Concerns

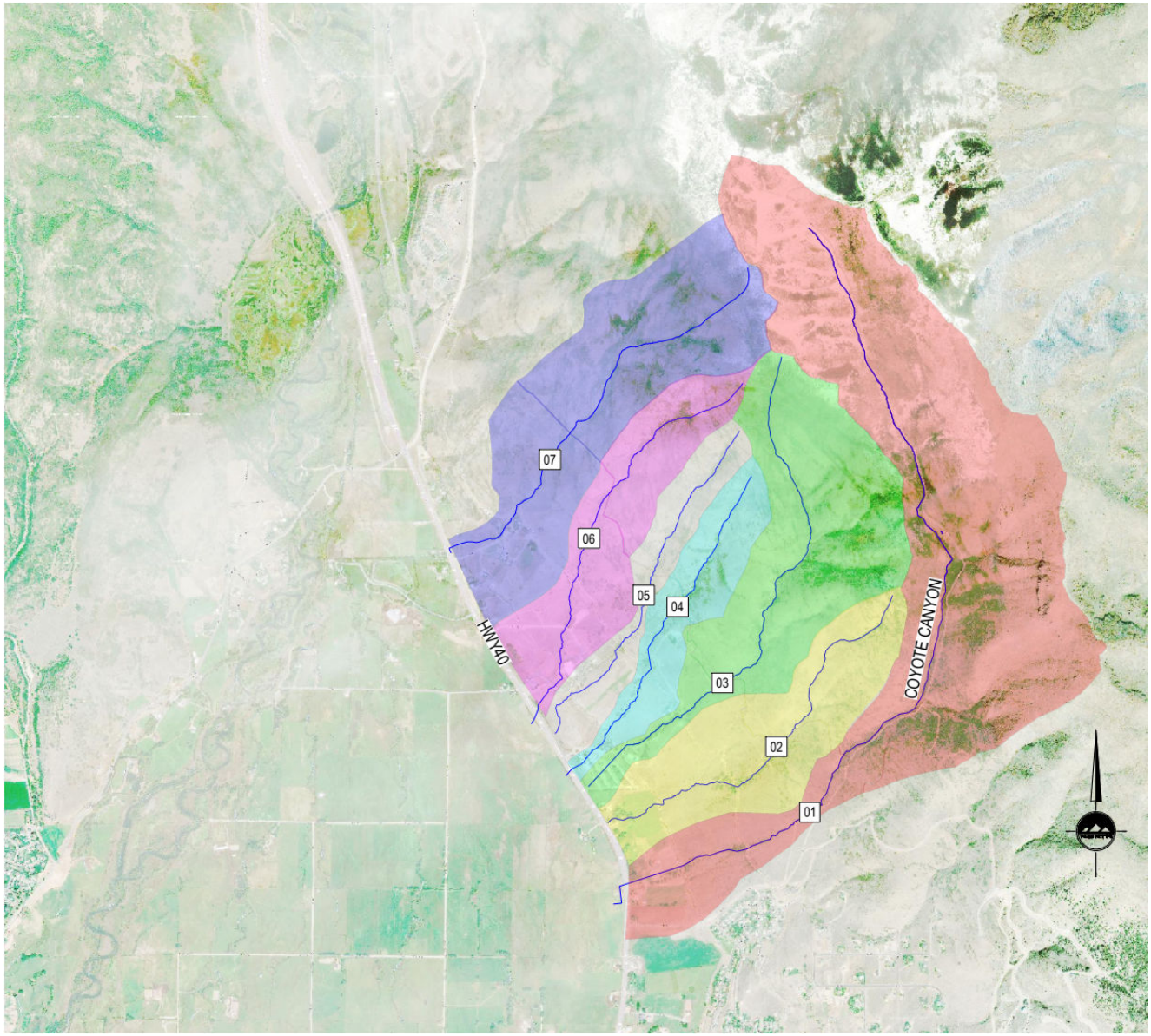
Proposed Concept to Address Storm Water

Concerns Addressed

HEBER CITY
HEART OF THE WASATCH BACK

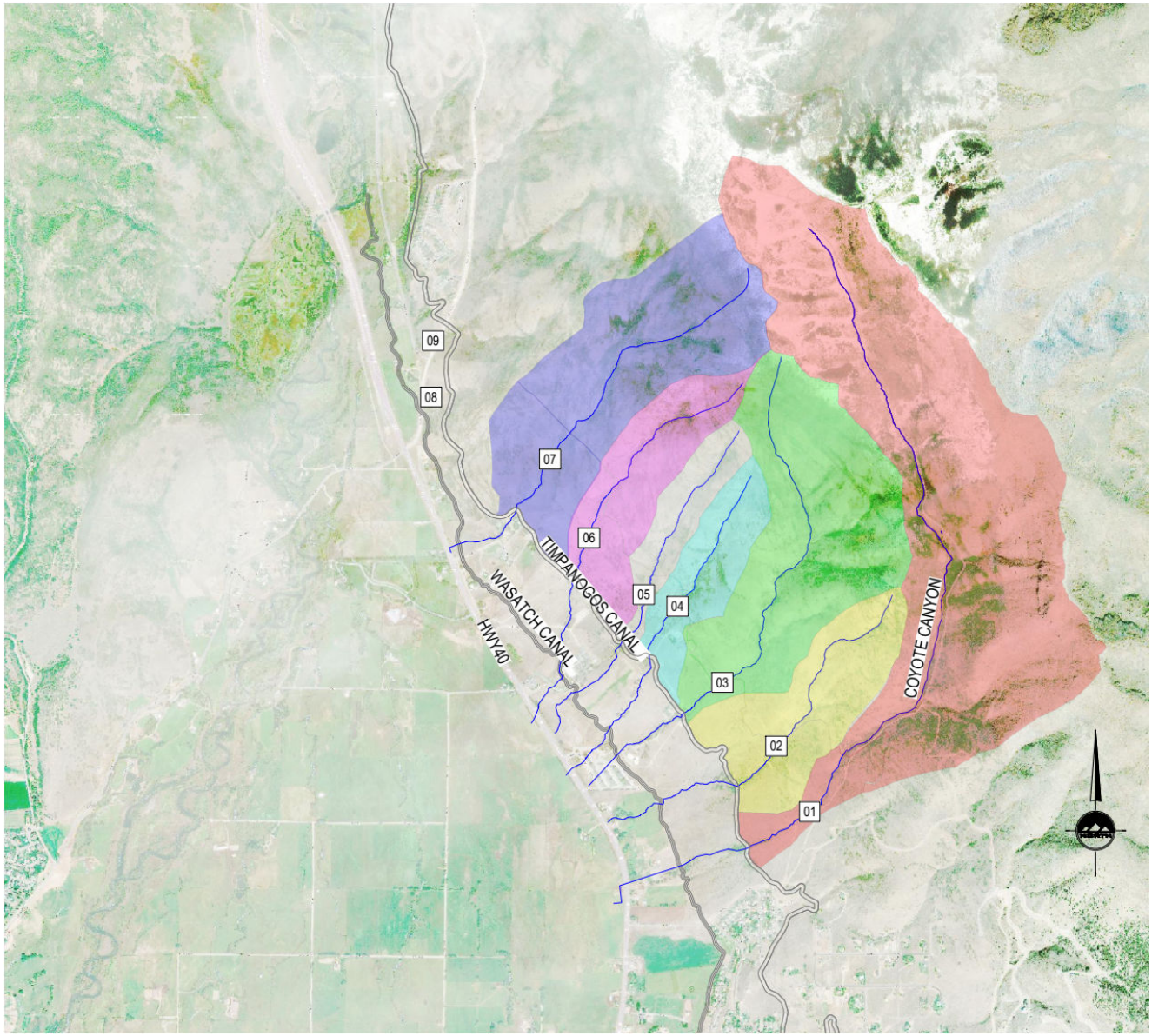
Historic Drainage Patterns

- From North Village Hillside through North Fields Area to the Provo River



Irrigation Canals & Highway Const

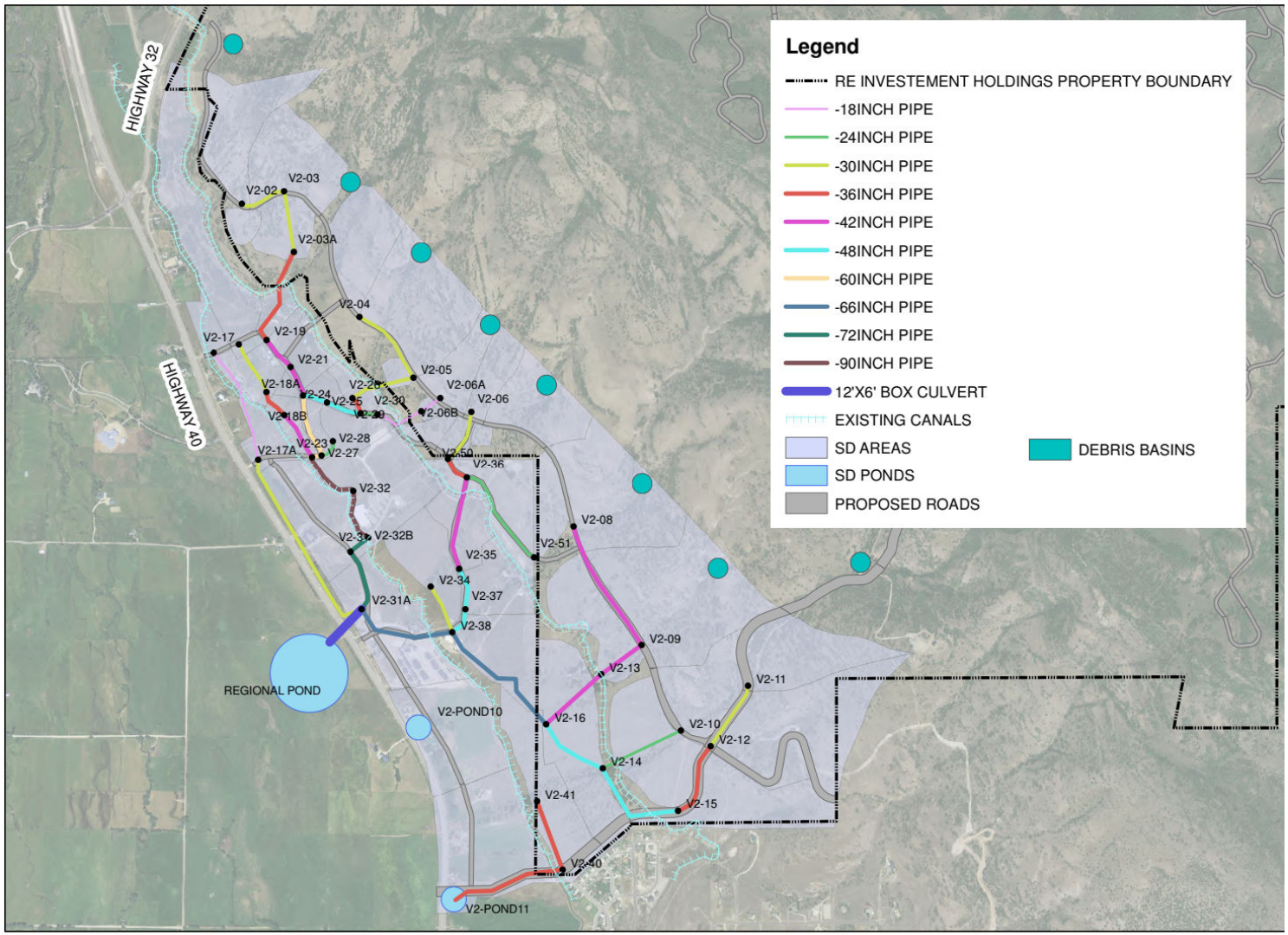
- Canals Constructed Late 1800's
- Intersected Natural Drainage Paths
- Hwy Construction
- Federal Ownership of Canals



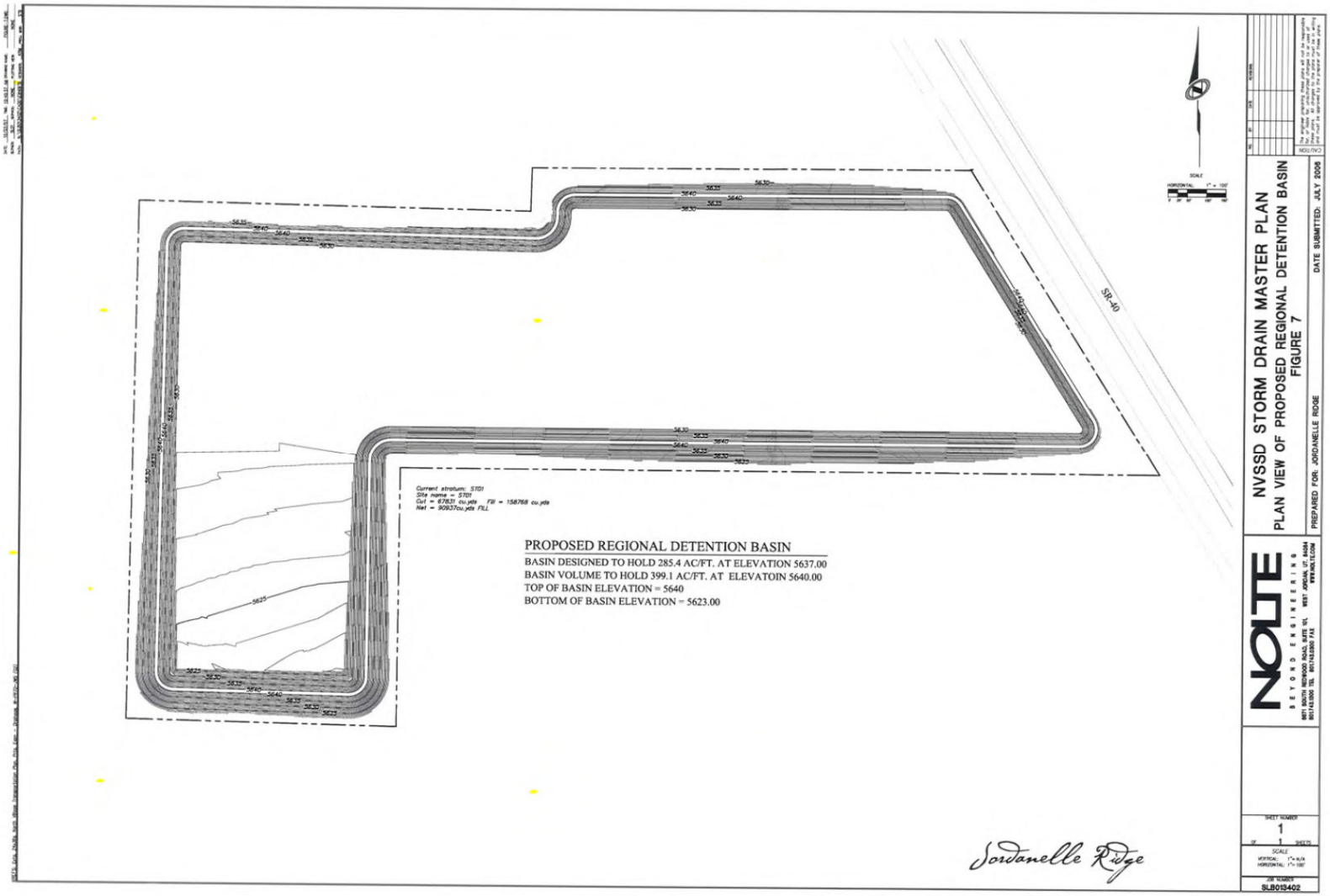
Challenges

1) Land Use Below Canals
   - Construction of Homes & Farms
   - Changes to Historic Drainage Paths
2) Canals Not Sized for Large Storms
3) Federal Policy – No Developed Flow in Canals
4) Perception of No Runoff to North Fields
5) Political & Public Opposition

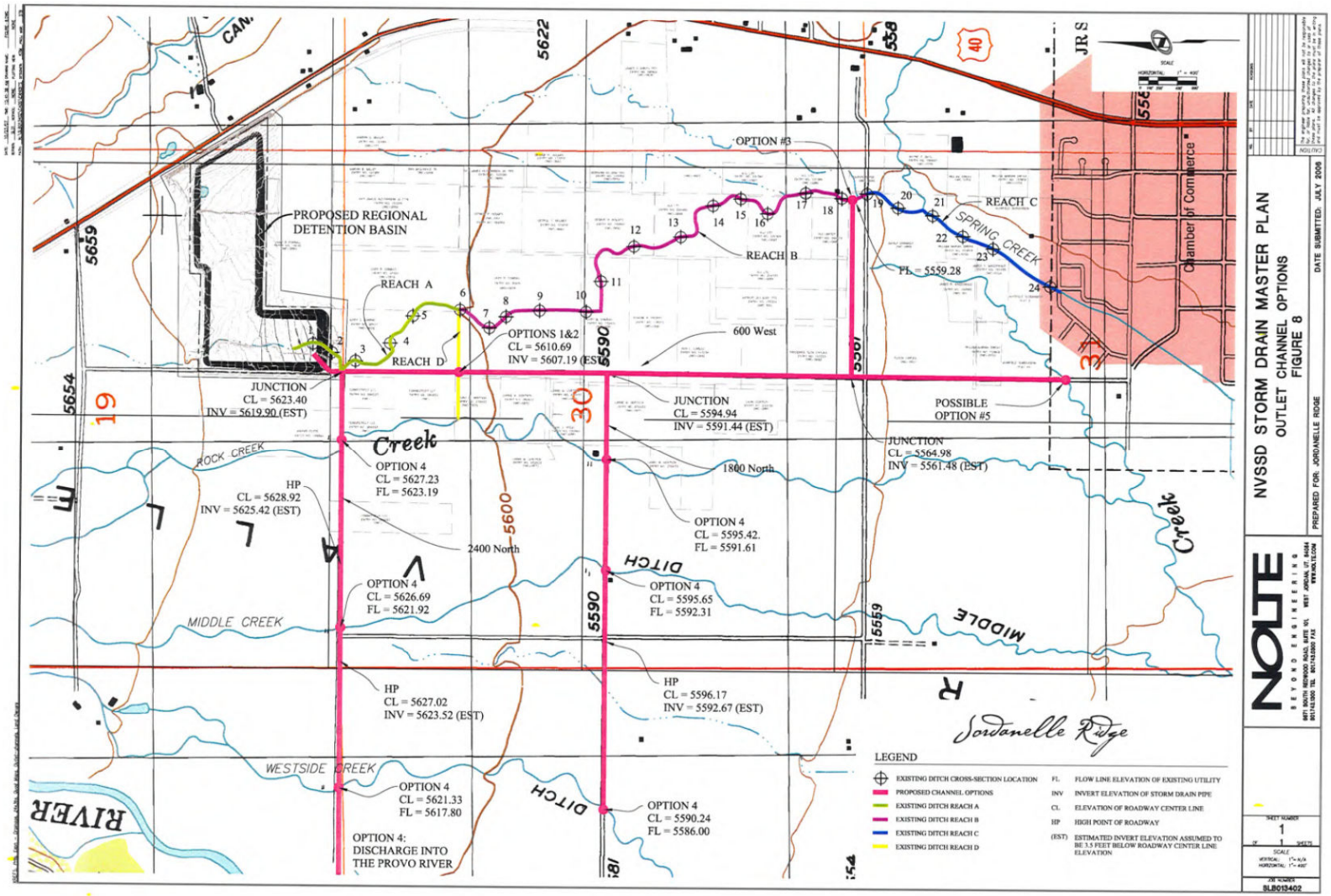
Original Concept for Storm Water



Original Concept for Storm Water

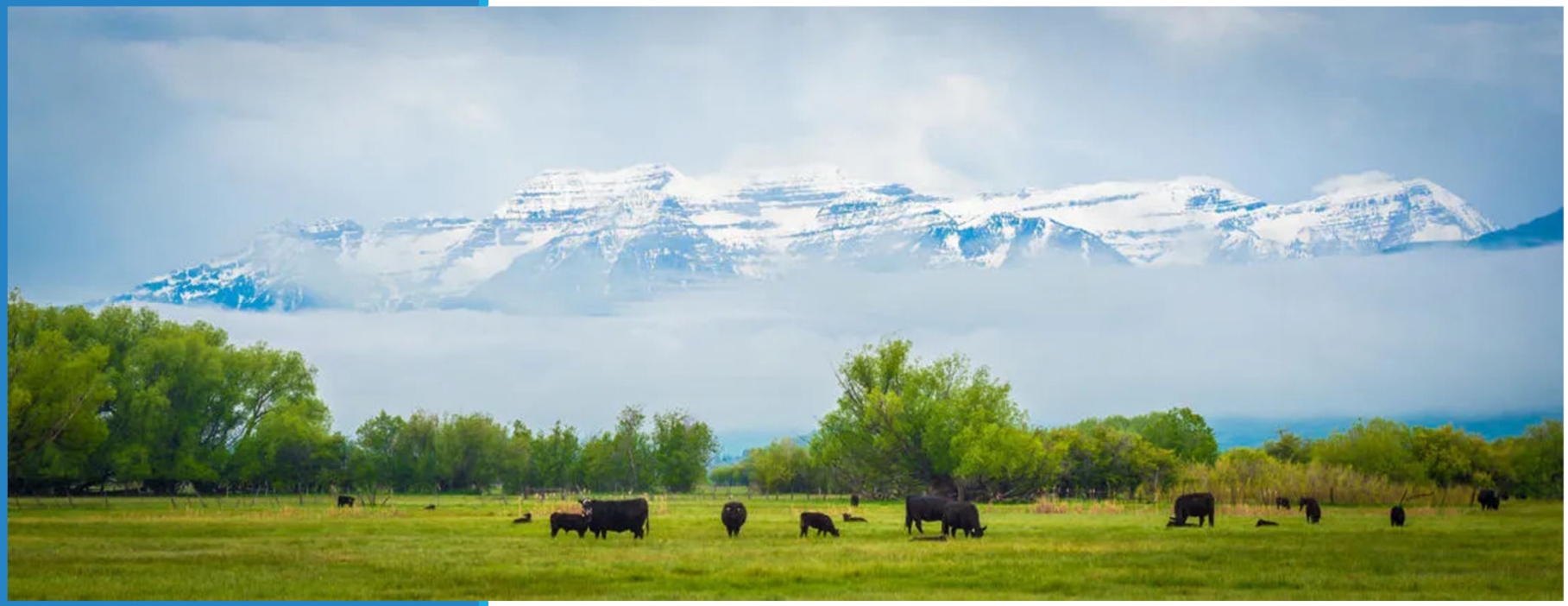


Original Concept For Storm Water



North Fields

- Treasure of Heber Valley
- Original Concept not Supported



Stake Holder Input / Concerns

Heber City
- Flooding / Liability
- Water Quality Impacts
- Public Support

Provo River Watershed Council
- Direct Discharge to Provo River
- Water Quality Impacts

Utah Division of Water Quality
- Water Quality
- Permitting Requirements

Mitigation Commission & DWR
- Wildlife Impacts
- Direct Discharge to Provo River

USBR / DOI / CUWCD
- Developed Flow in Canals
- Capacity of Canals
- Flooding / Liability

Property Owners / Citizens
- Preservation of North Fields
- Water Quality Impacts
- Amount of Developable Land Required

North Fields Irrigation Company
- Impacts to North Fields Ditches
- Water Quality Impacts

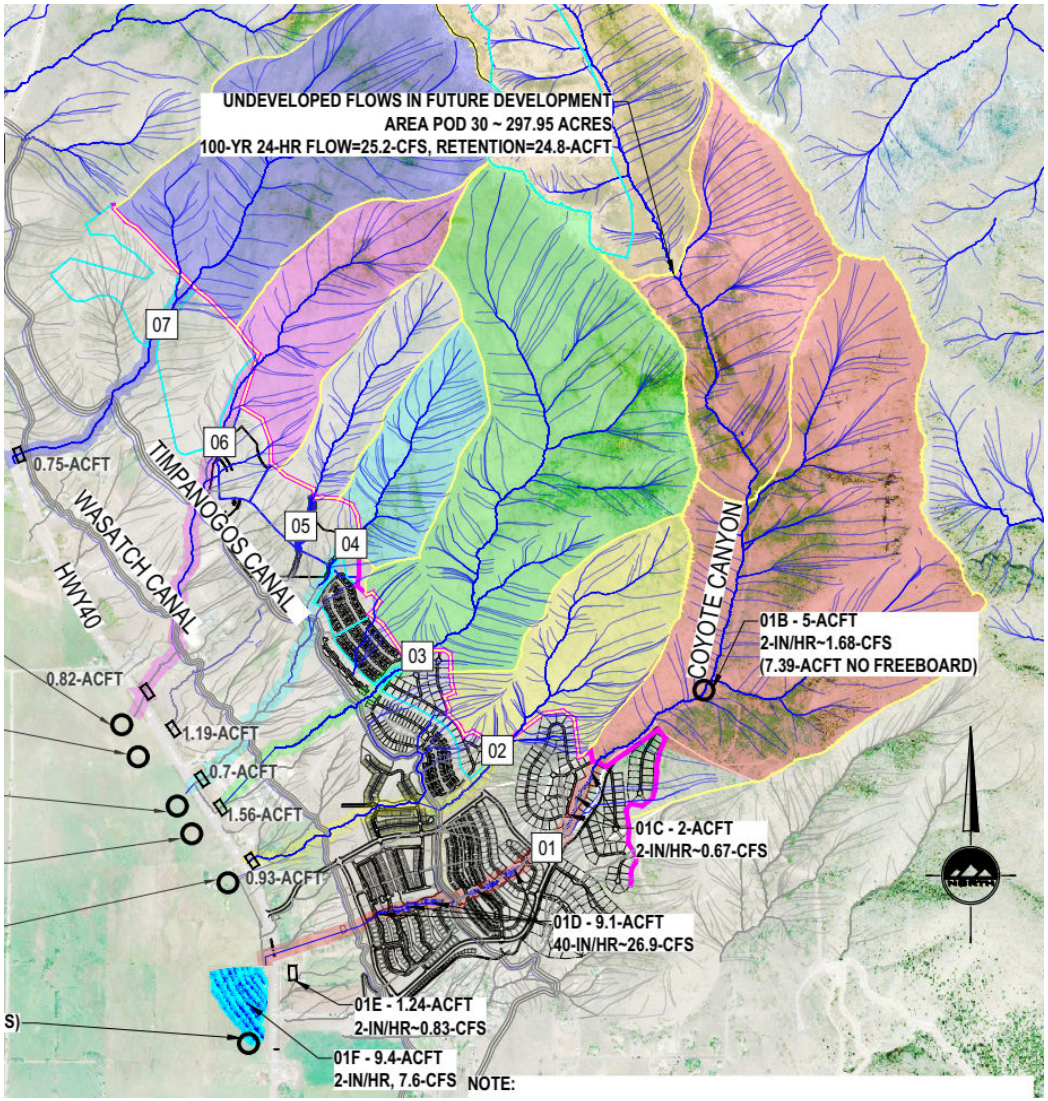
Wasatch County
- Rain on Snow Events / Winter Conditions
- Bypass of Canals

With so many Considerations… How do we move forward?

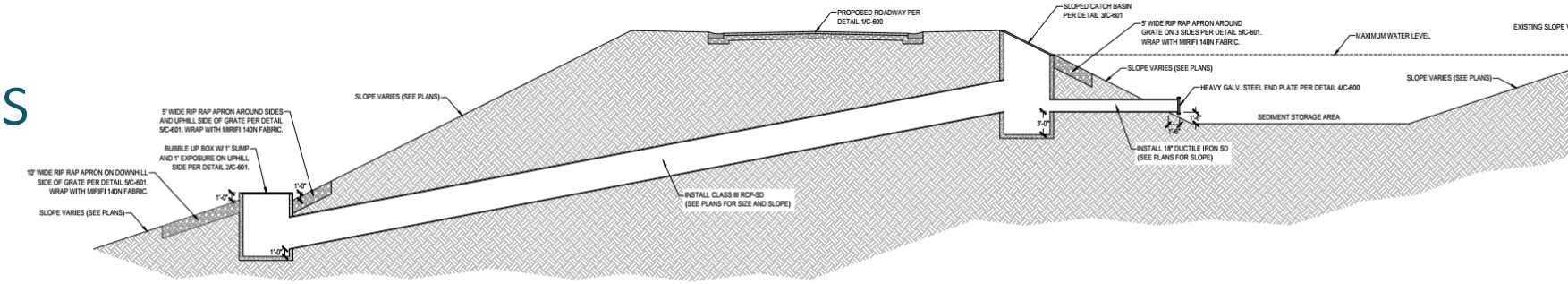
Process to Determine an Acceptable Plan

Major Concepts:

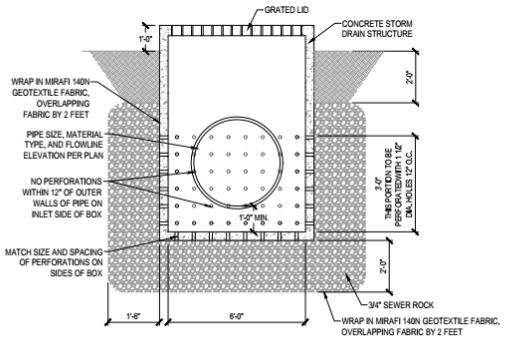
- Developed & Natural Runoff will be Separate
- Developed Flow Will be Treated & Retained On-Site
- Natural Runoff will be Infiltrated in Detention Basins along Historic Channels w/ Minimal Final Release to “Infiltration Beds” in N.F.
- As a Condition of Annexation – Properties will be required to Restore/Replace Historic Drainage Channels Below the Canals
- Irrigation Canals will be Bypassed
- Recommend Buffer Zones & Limitations on Street Crossings for Major Drainages



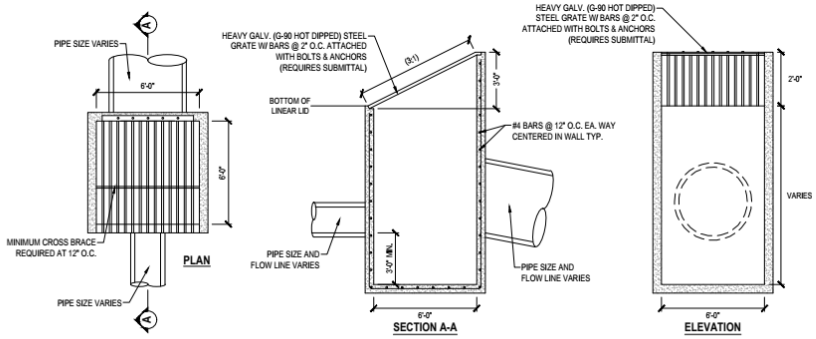
Concept for Road & Canal Crossings



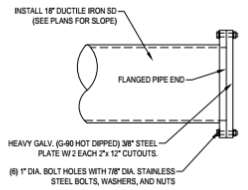
1 DETENTION BASIN DETAIL
SCALE: NONE



2 BUBBLE-UP BOX
SCALE: NONE

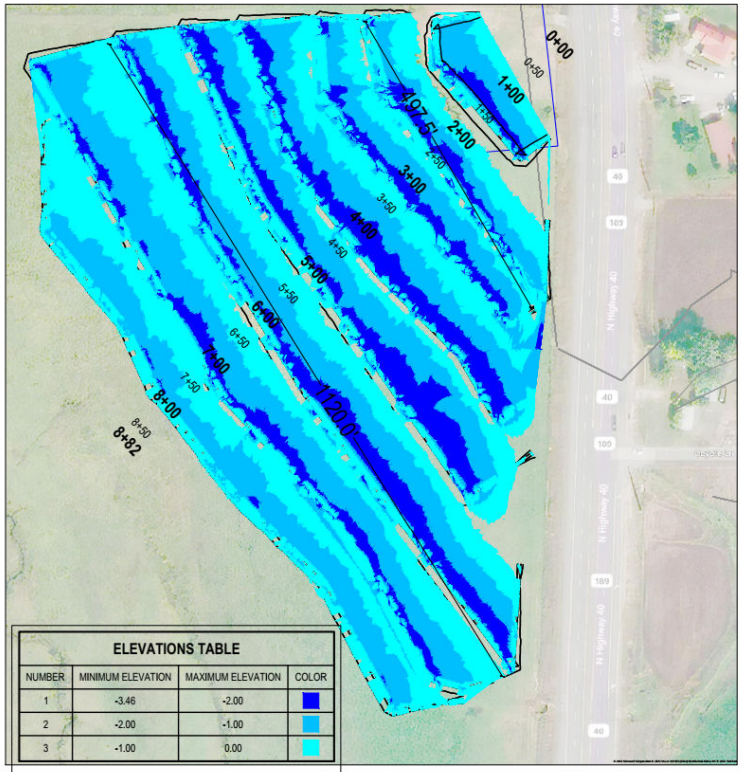


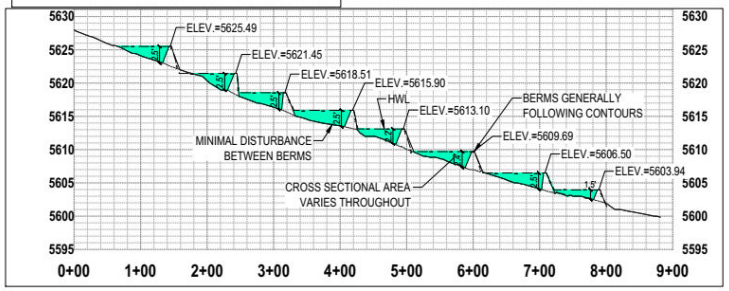
3 SLOPED CATCH BASIN
SCALE: NONE

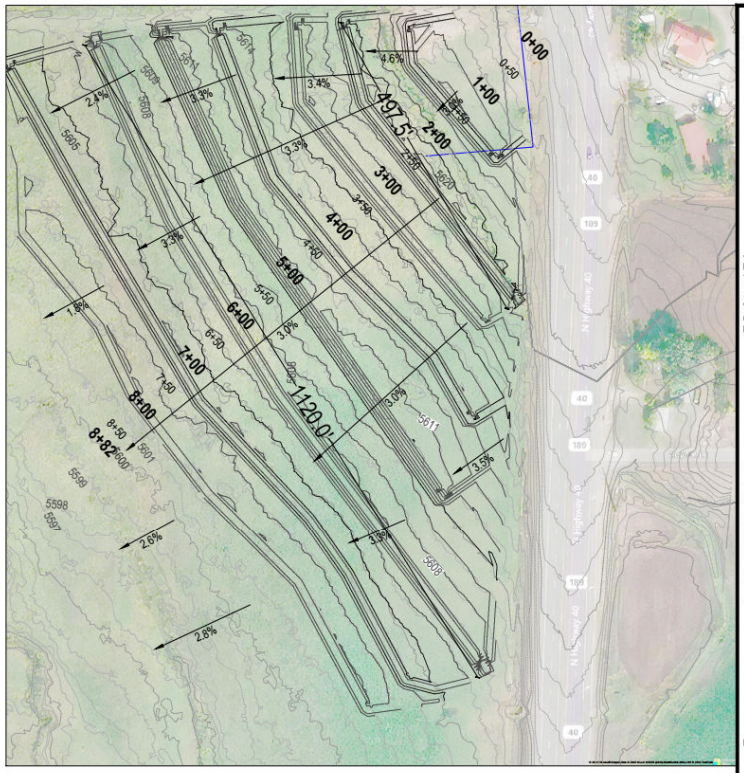


4 STEEL END PLATE DETAIL

Infiltration Bed Concept







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Phone: 801.547.1100

TOOELE
Phone: 435.843.3590

CEDAR CITY
Phone: 435.865.1453

RICHFIELD
Phone: 435.896.2983

WWW.ENSIGNENG.COM

NORTH VILLIAGE
UNDEVELOPED DRAINAGE MASTER PLAN
700 COYOTE LANE
HEBER CITY, UTAH

NORTH FIELDS
INFILTRATION BED
CONCEPT
PRELIMINARY

EX-106

Limited Support & Concerns

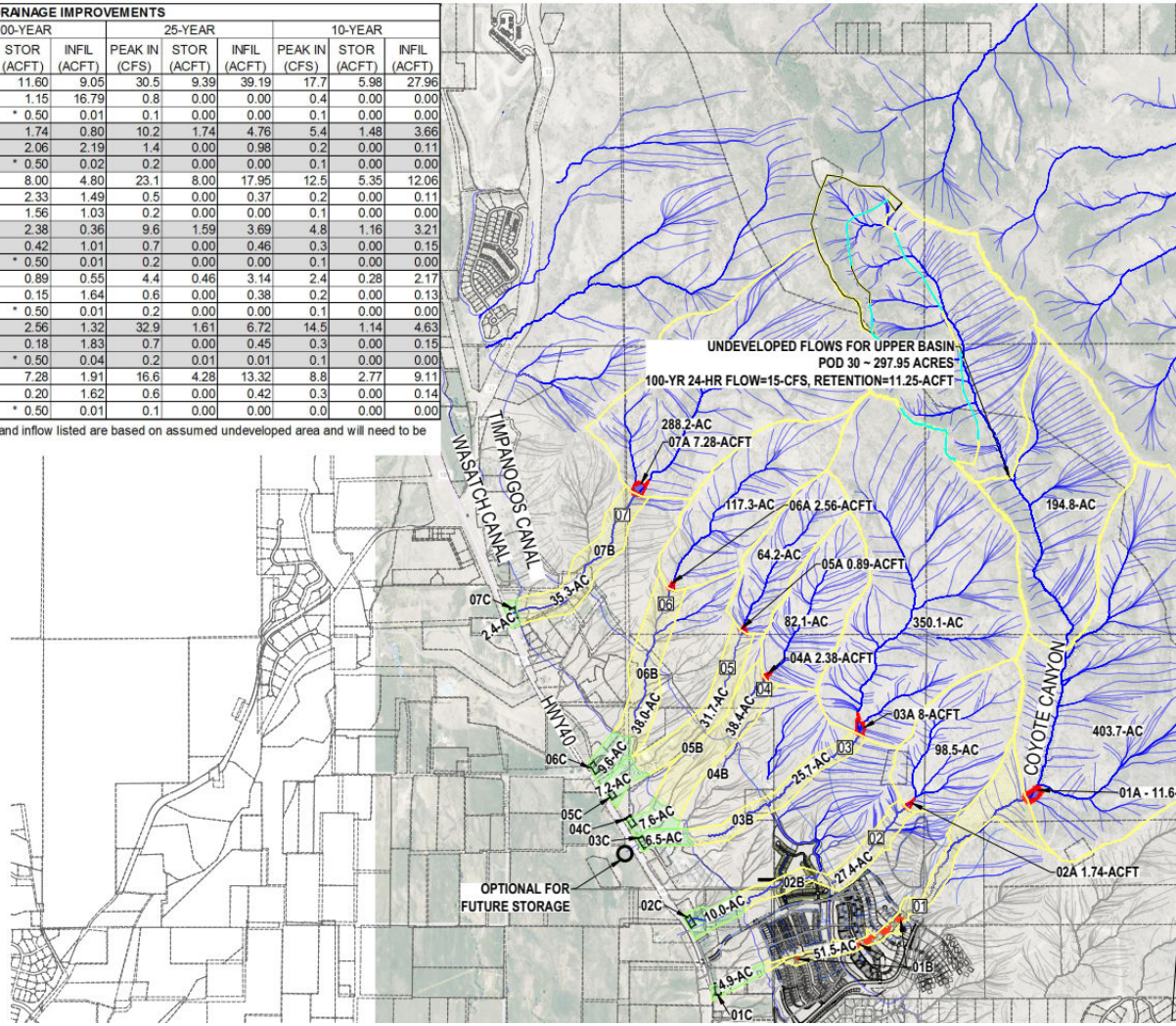
- Cost of Property
- Aesthetic Impacts to North Fields
- Maintaining Property & Vegetation
  - Irrigation, Mowing, Etc
- Damage to Berms from Animals
- Public Opposition

Proposed Plan to Address Stormwater

UNDEVELOPED FLOWS THROUGH JORDANELLE CANYONS WITH DRAINAGE IMPROVEMENTS

STORAGE / LID MEASURE		HISTORIC 100-YR 24-HR PEAK IN (CFS)	HISTORIC 100-YR 24-HR STOR (ACFT)	INFIL. (IN/HR)	100-YEAR PEAK IN (CFS)	100-YEAR STOR (ACFT)	100-YEAR INFIL (ACFT)	25-YEAR PEAK IN (CFS)	25-YEAR STOR (ACFT)	25-YEAR INFIL (ACFT)	10-YEAR PEAK IN (CFS)	10-YEAR STOR (ACFT)	10-YEAR INFIL (ACFT)
01A	SEDIMENT BASIN	162	87	5.45	65.9	11.60	9.05	30.5	9.39	39.19	17.7	5.98	27.96
01B	ROADS / TRAILS			27	22.6	1.15	16.79	0.8	0.00	0.00	0.4	0.00	0.00
01C	EAST HWY 40 *			2	0.8	* 0.50	0.01	0.1	0.00	0.00	0.1	0.00	0.00
02A	SEDIMENT BASIN	33	13	2	25.3	1.74	0.80	10.2	1.74	4.76	5.4	1.48	3.66
02B	ROADS / TRAILS			2	11.9	2.06	2.19	1.4	0.00	0.98	0.2	0.00	0.11
02C	EAST HWY 40 *			2	1.2	* 0.50	0.02	0.2	0.00	0.00	0.1	0.00	0.00
03A	SEDIMENT BASIN	100	35	3.75	54.1	8.00	4.80	23.1	8.00	17.95	12.5	5.35	12.06
03B	ROADS / TRAILS			2	17.7	2.33	1.49	0.5	0.00	0.37	0.2	0.00	0.11
03C	EAST HWY 40 *			2	11.1	1.56	1.03	0.2	0.00	0.00	0.1	0.00	0.00
04A	SEDIMENT BASIN	42	12.5	1	23.1	2.38	0.36	9.6	1.59	3.69	4.8	1.16	3.21
04B	ROADS / TRAILS			1	2.7	0.42	1.01	0.7	0.00	0.46	0.3	0.00	0.15
04C	EAST HWY 40 *			1	1.0	* 0.50	0.01	0.2	0.00	0.00	0.1	0.00	0.00
05A	SEDIMENT BASIN	16	7	2.5	12.5	0.89	0.55	4.4	0.46	3.14	2.4	0.28	2.17
05B	ROADS / TRAILS			2	2.5	0.15	1.64	0.6	0.00	0.38	0.2	0.00	0.13
05C	EAST HWY 40 *			2	1.0	* 0.50	0.01	0.2	0.00	0.00	0.1	0.00	0.00
06A	SEDIMENT BASIN	41	14.5	3.75	80.5	2.56	1.32	32.9	1.61	6.72	14.5	1.14	4.63
06B	ROADS / TRAILS			2	2.7	0.18	1.83	0.7	0.00	0.45	0.3	0.00	0.15
06C	EAST HWY 40 *			2	1.2	* 0.50	0.04	0.2	0.01	0.01	0.1	0.00	0.00
07A	SEDIMENT BASIN	90	34	1.75	40.1	7.28	1.91	16.6	4.28	13.32	8.8	2.77	9.11
07B	ROADS / TRAILS			2	2.6	0.20	1.62	0.6	0.00	0.42	0.3	0.00	0.14
07C	EAST HWY 40 *			2	0.7	* 0.50	0.01	0.1	0.00	0.00	0.0	0.00	0.00

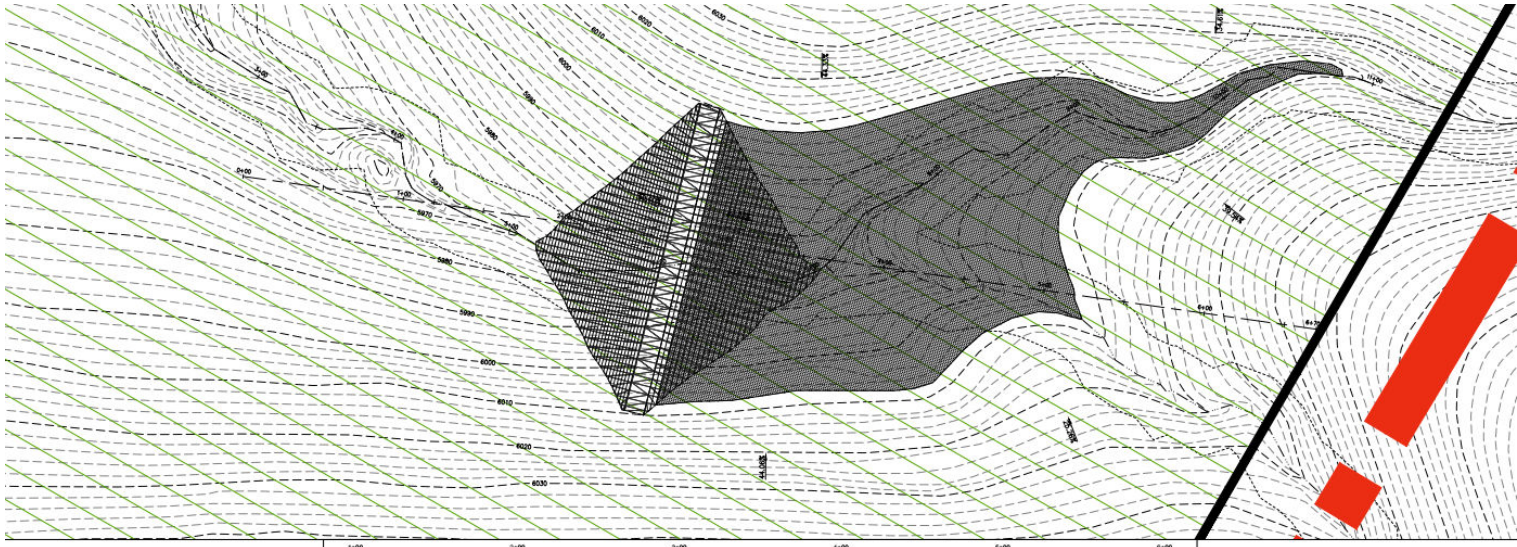
* Minimum basin size at bottom of all drainages (0XC) is 0.5-acft. Volumes and inflow listed are based on assumed undeveloped area and will need to be verified with individual overall drainage basin/development plans.



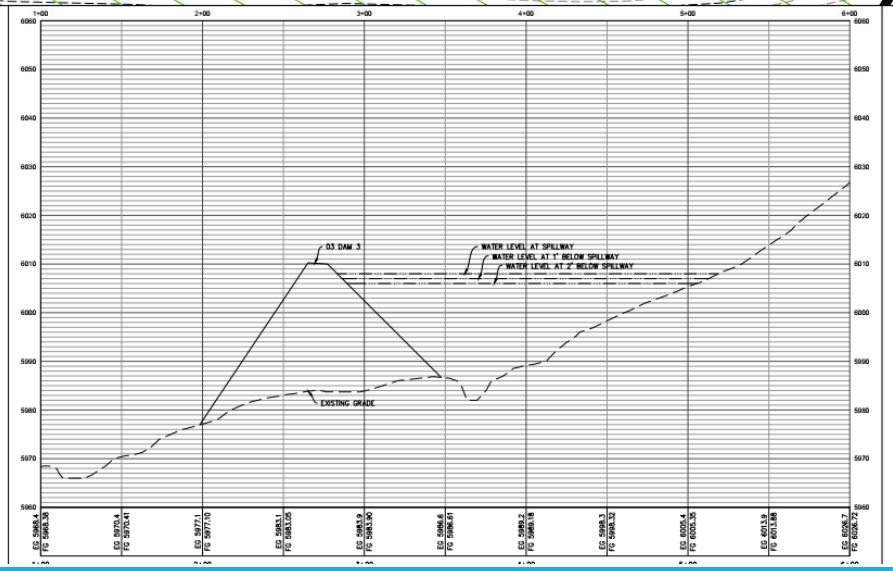
Major Concepts:

- Separation of Developed & Natural Runoff where Feasible/Practical
- Developed Runoff Treated & Retained On-Site
- Natural Runoff will be Infiltrated in Detention Basins along Historic Channels
- Debris/Retention Basins Upstream of Developments
- As a Condition of Annexation – Properties will be required to Restore/Replace Historic Drainage Channels Below the Canals
- Irrigation Canals will be Bypassed
- Recommend Buffer for Major Drainages

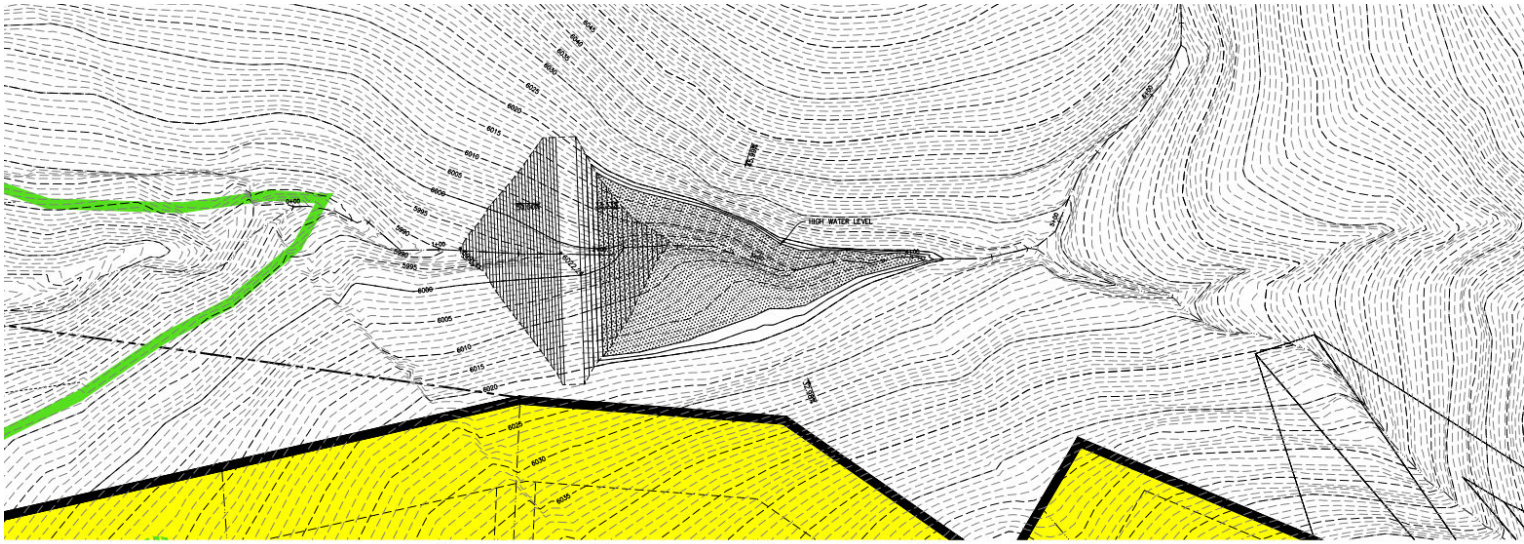
Proposed Plan to Address Storm Water



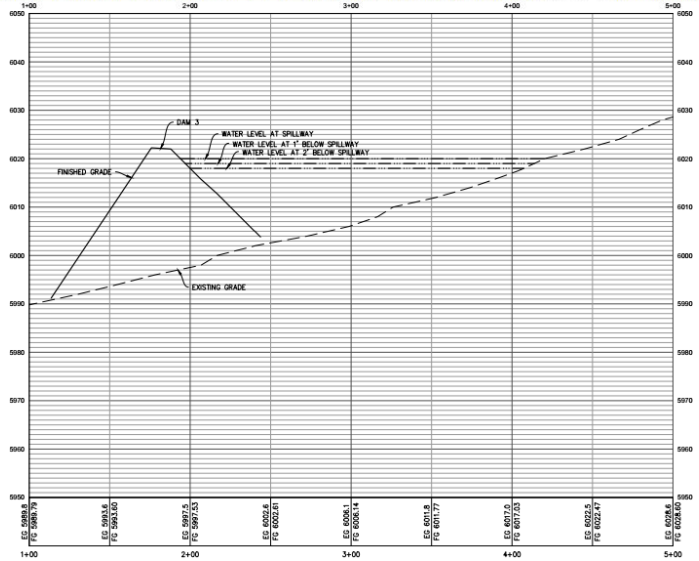
03 DAM 3
8.00 AC-FT, SPILLWAY
7.07 AC-FT, 1' BELOW SPILLWAY
6.21 AC-FT, 2' BELOW SPILLWAY
8,268 CY FILL
33' TALL



Proposed Plan to Address Storm Water



02 DAM 3
1.74 AC-FT, SPILLWAY
1.44 AC-FT, 1' BELOW SPILLWAY
1.17 AC-FT, 2' BELOW SPILLWAY
4,387 CY FILL
32' TALL



How Does This Plan Address Concerns

Water Quality Impacts

- Natural &Developed Runoff Separate if Practical
- Natural Runoff
  - Debris Basin / Detention Basins
  - Utilize Infiltration Where Possible
- Developed Runoff
  - LID Techniques / Treatment
  - Retention Basins & Infiltration

Preservation of North Fields

- No Planned Discharge to NF for 100-Yr Storm
- Potential Purchase Property or Develop Rights in NF using NF Preservation Funds ($2500/ERU)

Flooding Liability / Winter Conditions

- *Natural Runoff will Bypass Canals
- Detention Volume will Improve Upon Current Conditions

Developed Flow / Capacity of Canals

- *Natural Runoff will Bypass Canals

Direct Discharge to Provo River

- No Direct Discharge to Provo River

Impacts to North Fields Ditches

- Zero or Minimal Discharge to Ditches

Wildlife Impacts

- No Direct Discharge to Provo River

HEBER CITY
HEART OF THE WASATCH BACK

Debated Issues

Need for Debris Basins & Buffers

- Flood After Fire

Top – Farmington

Bottom - Santaquin

Debated Issues

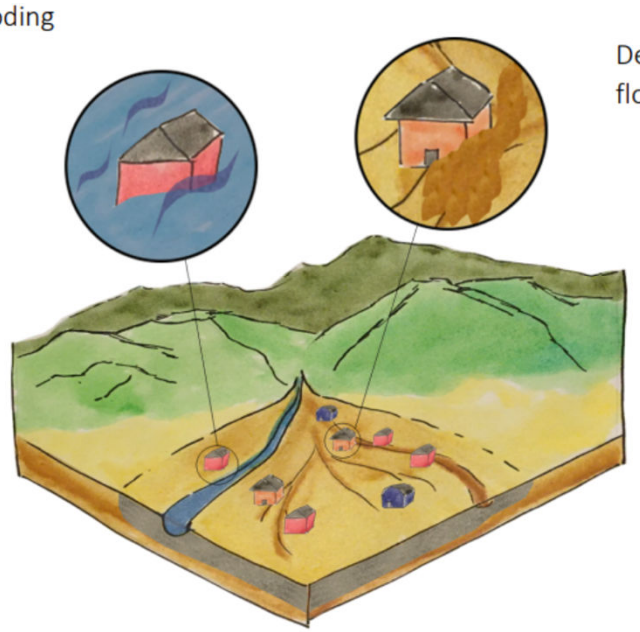
Need for Debris Basins & Buffers

- Alluvial Fans

Concept Box 2.2a: Learning to describe alluvial fan hazards

Flooding

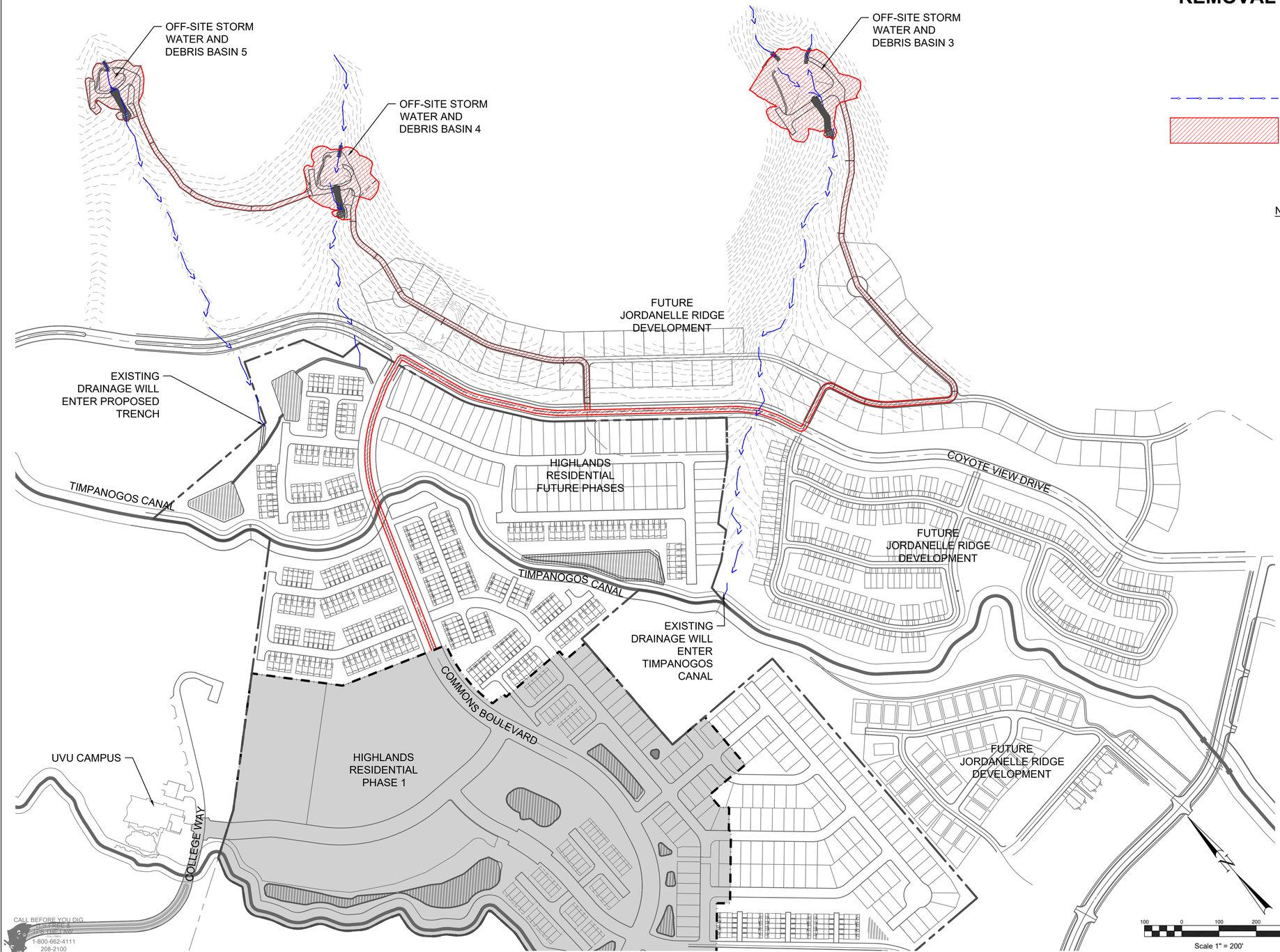
- Direction of floodwaters is different during each flood event (does NOT follow pre-defined channel)
- Depth of flood water different each time
- Fast moving floodwaters



Debris flow

- Contains water AND debris that ranges in size from small sediments up to big boulders
- Depth of debris varies (up to 8 ft)
- Debris flows move as fast as 35 mph
- Debris loads have higher impact on structures than water alone

DEMOLITION AND TREE REMOVAL PLAN



LEGEND:

EXISTING FLOW LINE

TREE/PLANT/TOP SOIL REMOVAL AREA (SEE NOTE 1).

AREA = 8.0 ACRES

NOTES:

1. CONTRACTOR SHALL CLEAR AND GRUB THE LAND IDENTIFIED REMOVING ALL TREES AND PLANT MATERIAL TO LAND FILL LICENSED TO TAKE THE MATERIAL.
2. REMOVE TREES, PLANTS, ANY VEGETATION AND TOP SOIL TO A DEPTH OF 12-INCHES THROUGHOUT ENTIRE ALIGNMENT OF THE MAINTENANCE/ ACCESS ROADS INSIDE OF THE 20 FT WIDE EASEMENT ASSIGNED FOR THE CONSTRUCTION OF THE ROADS AND IN THE PROPOSED CUT AND FILL SLOPES.
3. REMOVE TREES, PLANTS, ANY VEGETATION AND THE TOP SOIL TO A DEPTH OF 12-INCHES INSIDE OF THE FOOT PRINT OF THE DEBRIS BASINS 3, 4 AND 5 INCLUDING THE PROPOSED FILL AND CUT SLOPES.
4. THE ORGANIC MATTER, INCLUDING TREES, PLANTS, ANY VEGETATION INCLUDING ROOTS WILL BE HAULED OFF SITE AND DISPOSED OF IN A LANDFILL LICENSED TO RECEIVE THE ORGANIC WASTE MATERIAL.
5. THE SUBGRADE UNDER DRIVING SURFACE OF THE 12 FT ROADWAY AND 2.5 FT SHOULDER ON EACH SIDE WILL BE STERILIZED WITH ENVIRONMENTALLY FRIENDLY WEED AND ROOT KILLER PRIOR TO PLACEMENT OF FINISHING SURFACE.
6. THE SUBGRADE UNDER THE PROPOSED EMBANKMENT IN THE BASINS WILL BE STERILIZED WITH ENVIRONMENTALLY FRIENDLY WEED AND ROOT KILLER PRIOR TO CONSTRUCTION OF THE EMBANKMENTS.
7. SEE PLAN SHEET NT-01 FOR SPECIFICATION AND INSTRUCTIONS TO CONSTRUCT AND COMPACT EARTHER EMBANKMENTS AND SUBGRADES.

CITY ENGINEER ACCEPTANCE

Russell Frank — Signature

6/8/2026 — Date

NVSSD

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208-2100
(SALT LAKE METRO)
OR 8437-1000 SOUTH
(SOUTH OF SALT LAKE)
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HIGHLANDS RESIDENTIAL DEVELOPMENT
OFF-SITE POND / DEBRIS BASIN AND MAINTENANCE ACCESS ROAD
HEBER CITY, UT
DEMOLITION & TREE REMOVAL PLAN

231 West 800 South Salt Lake City, Utah 84101
Ward Engineering Group
Planning • Engineering • Surveying
PH: 801 . 487 . 8040

CLIENT: D.R HORTON
DWG: SITE PLAN - DEBRIS BASIN.DWG
JOB No: 3891-DRH01-23

DO NOT SCALE THIS DRAWING DRAWING IS REDUCED IF LESS THAN 22x34 = DIMENSIONS AND NOTES MAY PRECEDE

DRAWN BY: WARD
DESIGN BY: WARD
CHECKED BY: BT
DATE: 04/08/2026

REVISIONS

6	05/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions

PROFESSIONAL ENGINEER
382348
BRENDAN H THORPE
STATE OF UTAH

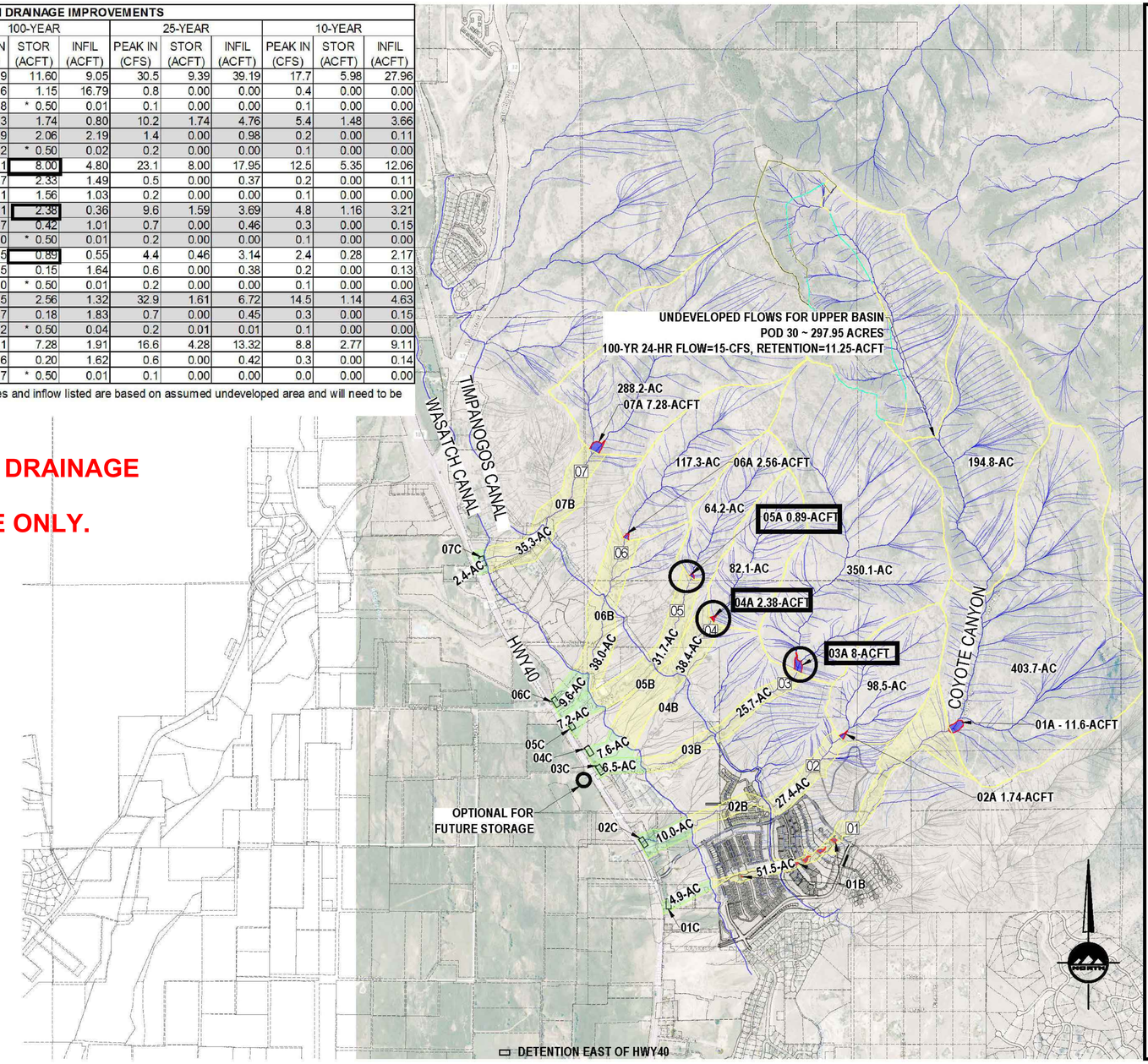
SHEET
DP-01

FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\Site Plan - Debris Basin.dwg TAB: DP-01 PLOT DATE AND TIME: 5/19/2026 4:35 PM

UNDEVELOPED FLOWS THROUGH JORDANELLE CANYONS WITH DRAINAGE IMPROVEMENTS														
		HISTORIC 100-YR 24-HR			100-YEAR			25-YEAR			10-YEAR		
STORAGE / LID MEASURE		PEAK IN (CFS)	STOR (ACFT)	INFIL. (IN/HR)	PEAK IN (CFS)	STOR (ACFT)	INFIL (ACFT)	PEAK IN (CFS)	STOR (ACFT)	INFIL (ACFT)	PEAK IN (CFS)	STOR (ACFT)	INFIL (ACFT)
01A	SEDIMENT BASIN	162	87	5.45	65.9	11.60	9.05	30.5	9.39	39.19	17.7	5.98	27.96
01B	ROADS / TRAILS			27	22.6	1.15	16.79	0.8	0.00	0.00	0.4	0.00	0.00
01C	EAST HWY 40 *			2	0.8	* 0.50	0.01	0.1	0.00	0.00	0.1	0.00	0.00
02A	SEDIMENT BASIN	33	13	2	25.3	1.74	0.80	10.2	1.74	4.76	5.4	1.48	3.66
02B	ROADS / TRAILS			2	11.9	2.06	2.19	1.4	0.00	0.98	0.2	0.00	0.11
02C	EAST HWY 40 *			2	1.2	* 0.50	0.02	0.2	0.00	0.00	0.1	0.00	0.00
03A	SEDIMENT BASIN	100	35	3.75	54.1	8.00	4.80	23.1	8.00	17.95	12.5	5.35	12.06
03B	ROADS / TRAILS			2	17.7	2.33	1.49	0.5	0.00	0.37	0.2	0.00	0.11
03C	EAST HWY 40 *			2	11.1	1.56	1.03	0.2	0.00	0.00	0.1	0.00	0.00
04A	SEDIMENT BASIN	42	12.5	1	23.1	2.38	0.36	9.6	1.59	3.69	4.8	1.16	3.21
04B	ROADS / TRAILS			1	2.7	0.42	1.01	0.7	0.00	0.46	0.3	0.00	0.15
04C	EAST HWY 40 *			1	1.0	* 0.50	0.01	0.2	0.00	0.00	0.1	0.00	0.00
05A	SEDIMENT BASIN	16	7	2.5	12.5	0.89	0.55	4.4	0.46	3.14	2.4	0.28	2.17
05B	ROADS / TRAILS			2	2.5	0.15	1.64	0.6	0.00	0.38	0.2	0.00	0.13
05C	EAST HWY 40 *			2	1.0	* 0.50	0.01	0.2	0.00	0.00	0.1	0.00	0.00
06A	SEDIMENT BASIN	41	14.5	3.75	80.5	2.56	1.32	32.9	1.61	6.72	14.5	1.14	4.63
06B	ROADS / TRAILS			2	2.7	0.18	1.83	0.7	0.00	0.45	0.3	0.00	0.15
06C	EAST HWY 40 *			2	1.2	* 0.50	0.04	0.2	0.01	0.01	0.1	0.00	0.00
07A	SEDIMENT BASIN	90	34	1.75	40.1	7.28	1.91	16.6	4.28	13.32	8.8	2.77	9.11
07B	ROADS / TRAILS			2	2.6	0.20	1.62	0.6	0.00	0.42	0.3	0.00	0.14
07C	EAST HWY 40 *			2	0.7	* 0.50	0.01	0.1	0.00	0.00	0.0	0.00	0.00

* Minimum basin size at bottom of all drainages (0XC) is 0.5-acft. Volumes and inflow listed are based on assumed undeveloped area and will need to be verified with individual overall drainage basin/development plans.

EXTRACTED FROM HEBER CITY DRAINAGE MASTER PLAN.
THIS SHEET IS FOR REFERENCE ONLY.



HORIZONTAL GRAPHIC SCALE

2000 0 1000 2000 4000

(IN FEET)

HORZ: 1 inch = 2000ft.

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CITY ENGINEER ACCEPTANCE

Russell Funk
Signature

6/8/2026
Date

ENSIGN
THE STANDARD IN ENGINEERING

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45 W. 10000 S., Suite 500
Sandy, UT 84070
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LAYTON
Phone: 801.547.1100

TOOELE
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CEDAR CITY
Phone: 435.865.1453

RICHFIELD
Phone: 435.896.2983

WWW.ENSIGNENG.COM

FOR:
MOMENTUM DEVELOPMENT GROUP, LLC
10421 SOUTH JORDAN GATEWAY BLVD, #200
SOUTH JORDAN, UTAH 84095
CONTACT:
DAVE BARGEE
PHONE: 801-316-5185

NORTH VILLIAGE
UNDEVELOPED DRAINAGE MASTER PLAN
700 COYOTE LANE
HEBER CITY, UTAH

UNDEVELOPED DRAINAGE
COYOTE CANYON
DISCHARGE VOLUMES
UPDATED INFIL RATES

PROJECT MANAGER: NVZSSA
FIRM DATE: 7/18/22
DRAWN BY: C. DUNKEL
CHECKED BY: B. MORGAN
PROJECT MANAGER: B. MORGAN

EX-110

HIGHLANDS RESIDENTIAL DEVELOPMENT
OFF-SITE POND / DEBRIS BASIN AND
MAINTENANCE ACCESS ROAD
HEBER CITY, UT
EXCEPT FROM HEBER CITY DRAINAGE
MASTER PLAN

231 West 800 South Salt Lake City, Utah 84101
Ward Engineering Group
Planning • Engineering • Surveying
PH: 801 . 487 . 8040

CLIENT: D.R HORTON
DWG: DEBRIS BASINS GRADING AND P&PS.DWG
JOB No: 3691-DRH01-23
DO NOT SCALE THIS DRAWING. DRAWING IS REDUCED IF LESS THAN 22in x 34in. DIMENSIONS AND NOTES TAKE PRECEDENCE

DRAWN BY: WARD
DESIGN BY: WARD
CHECKED BY: BT
DATE: 04/08/2026

REVISIONS

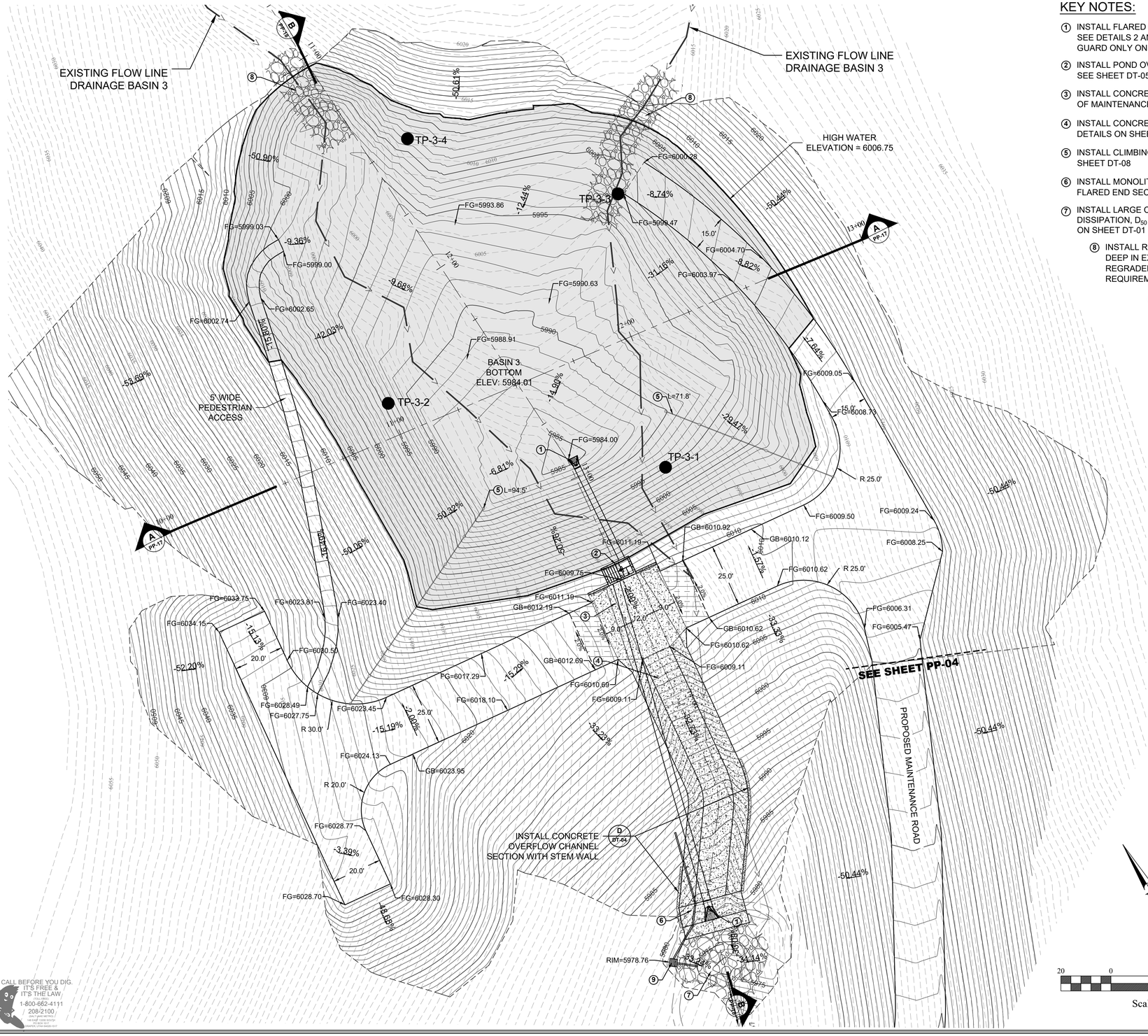
6	03/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions

PROFESSIONAL ENGINEER
382348
BRENDAN H THORPE
STATE OF UTAH

SHEET
EX-01

FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\2024-11-25\2024-11-23 Debris Basins Base\Debris Basins Grading and P&Ps.dwg TAB: EX-01 Drainage Master Plan PLOT DATE AND TIME: 5/19/2026 4:39 PM

FILENAME: O:\Highlands\Residential\DR Horton\Debris Basins\2024-11-25\2024-11-23 Debris Basins Base\Debris Basins Grading and P&Ps.dwg TAB: GP-01 PLOT DATE AND TIME: 5/20/2026 10:51 AM



KEY NOTES:

1. INSTALL FLARED END SECTION PER APWA STANDARDS, SEE DETAILS 2 AND 4 ON SHEET DT-01. INSTALL TRASH GUARD ONLY ON INLET END SECTION.
2. INSTALL POND OVERFLOW STRUCTURE, SEE SHEET DT-05
3. INSTALL CONCRETE OVERFLOW CHANNEL AT THE TOP OF MAINTENANCE ROAD, SEE DETAIL 1 ON SHEET DT-02
4. INSTALL CONCRETE OVERFLOW CHANNEL, SEE DETAILS ON SHEET DT-03
5. INSTALL CLIMBING CHAIN PER DETAIL 1 ON SHEET DT-08
6. INSTALL MONOLITHIC CONCRETE TRANSITION AROUND FLARED END SECTION PER DETAIL 3 ON SHEET DT-01
7. INSTALL LARGE COBBLE PLUNGE POOL FOR ENERGY DISSIPATION, D_{50} = 36-INCH OR LARGER, SEE DETAIL 3 ON SHEET DT-01
8. INSTALL RIPRAP D_{50}= 36", 15-FEET WIDE AND 6-FEET DEEP IN EXTENTS OF THE EXISTING CHANNEL THAT IS REGRADED, IN ADDITION TO THE EROSION CONTROL REQUIREMENT SHOWN ON SHEETS EC-01 TO EC-05
9. INSTALL 3'x3' PRECAST CONCRETE JUNCTION BOX WITH SOLID LID AND 6" OUTLET DRAIN PIPE, SEE SECTION E ON SHEET DT-04

LEGEND:

- PROPOSED MAJOR CONTOUR
- PROPOSED MINOR CONTOUR
- EXISTING MAJOR CONTOUR
- EXISTING MINOR CONTOUR
- EXISTING FLOW LINE OF DRAINAGE BASIN
- PROPOSED CLIMBING CHAIN, SEE SHEET DT-08
- PROPOSED CONCRETE FLARED END SECTION
- PROPOSED STORM DRAIN OVERFLOW BOX
- OVERFLOW CONCRETE CHANNEL
- RIPRAP / COBBLE
- CROSS SLOPE TRANSITION AREA

BASIN 3 INFORMATION	
BOTTOM ELEVATION	5984.01 FT.
HIGH WATER ELEVATION	6006.75 FT.
TOTAL VOLUME PROVIDED	8.14 AC FT.
TOTAL VOLUME REQUIRED*	8.0 AC FT.

* TOTAL VOLUME REQUIRED WAS OBTAINED FROM THE HEBER CITY DRAINAGE MASTER PLAN.

BASIN 3 DEPTH TO BEDROCK	
TEST PIT LOCATION	DEPTH TO BEDROCK
TP-3-1	8 FT.
TP-3-2	10 FT.
TP-3-3	10 FT.
TP-3-4	7 FT.

THE TABLE ABOVE SHOWS THE DEPTH AT THE TEST PIT LOCATIONS WHERE BEDROCK WAS ENCOUNTERED DURING THE EXCAVATION. TEST PIT LOCATIONS SHOWN ARE APPROXIMATE. REFER TO THE GEOSTRATA PRELIMINARY RESULTS OF GEOTECHNICAL INVESTIGATION OF OFFSITE DEBRIS BASINS AT THE END OF THIS PLAN SET FOR MORE INFORMATION.

20 0 20 40 60

Scale 1" = 20'

CITY ENGINEER ACCEPTANCE

Russell Frank
Signature

6/8/2026
Date

NVSSD

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HIGHLANDS RESIDENTIAL DEVELOPMENT
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Ward Engineering Group
Planning • Engineering • Surveying
PH: 801 . 487 . 8040

CLIENT: D.R.HORTON
DWG: DEBRIS BASINS GRADING AND P&PS.DWG
JOB No: 3891-DRH01-23
DRAWING SCALE: DRAWING IS REDUCED IF LESS THAN 22"x34". USE GRAPHIC SECTION AND NOTES TO MAKE PRECISE MEASUREMENTS

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DESIGN BY: WARD
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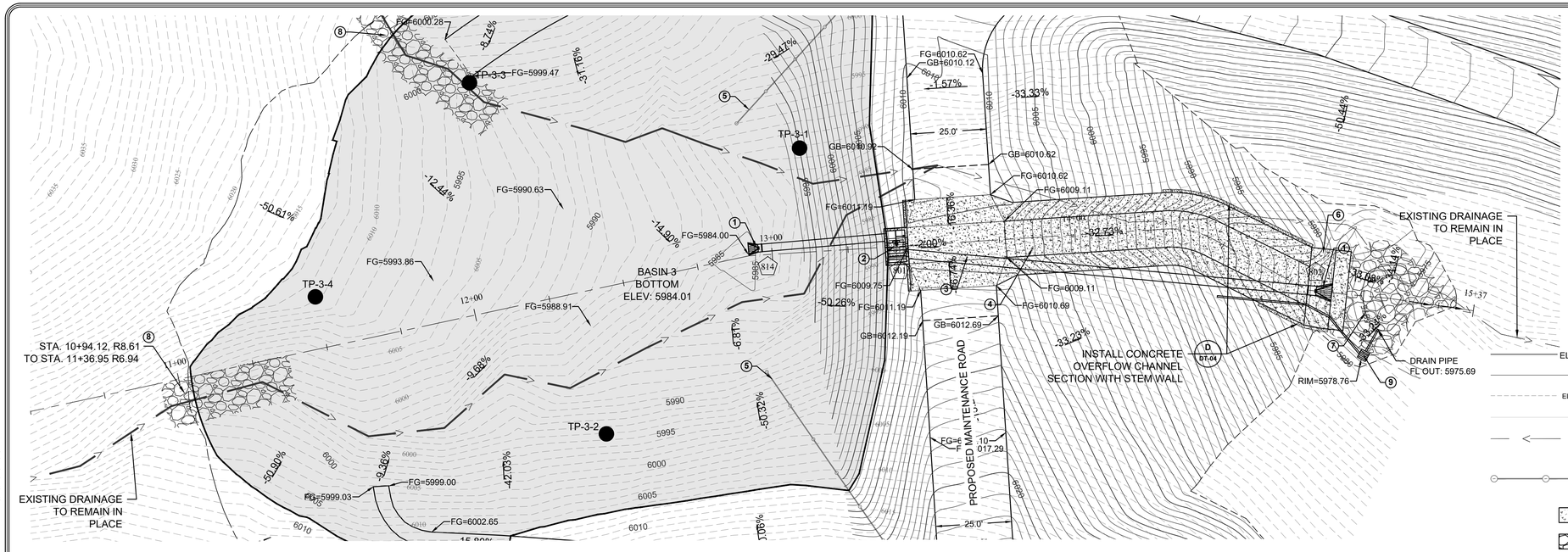
DATE: 04/08/2026

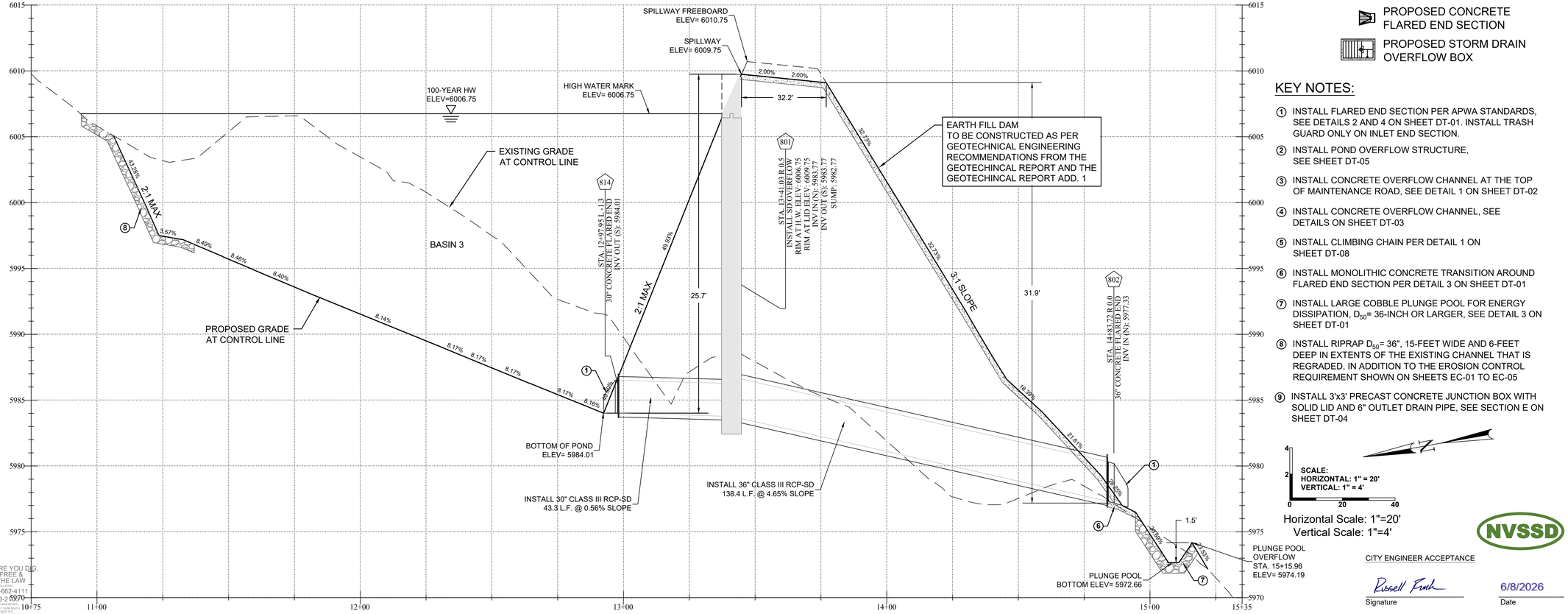
REVISIONS
6 03/10/2026 Add. 6 Revisions
6 04/22/2026 Add. 6 Revisions

PROFESSIONAL ENGINEER 362348 BRENDAN H THORPE STATE OF UTAH

SHEET
GP-01

PLOT DATE AND TIME: 5/20/2026 10:52 AM
FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\2024-11-25\2024-11-23 Debris Basins Base\Debris Basins Grading and PAPs.dwg TAB: PP-18 Pond 3-B





LEGEND:

- PROPOSED MAJOR CONTOUR
- PROPOSED MINOR CONTOUR
- EXISTING MAJOR CONTOUR
- EXISTING MINOR CONTOUR
- EXISTING FLOW LINE OF DRAINAGE BASIN
- PROPOSED CLIMBING CHAIN, SEE SHEET DT-08
- CONCRETE OVERFLOW CHANNEL
- RIPRAP / COBBLE
- PROPOSED CONCRETE FLARED END SECTION
- PROPOSED STORM DRAIN OVERFLOW BOX

KEY NOTES:

1. INSTALL FLARED END SECTION PER APWA STANDARDS, SEE DETAILS 2 AND 4 ON SHEET DT-01. INSTALL TRASH GUARD ONLY ON INLET END SECTION.
2. INSTALL POND OVERFLOW STRUCTURE, SEE SHEET DT-05
3. INSTALL CONCRETE OVERFLOW CHANNEL AT THE TOP OF MAINTENANCE ROAD, SEE DETAIL 1 ON SHEET DT-02
4. INSTALL CONCRETE OVERFLOW CHANNEL, SEE DETAILS ON SHEET DT-03
5. INSTALL CLIMBING CHAIN PER DETAIL 1 ON SHEET DT-08
6. INSTALL MONOLITHIC CONCRETE TRANSITION AROUND FLARED END SECTION PER DETAIL 3 ON SHEET DT-01
7. INSTALL LARGE COBBLE PLUNGE POOL FOR ENERGY DISSIPATION, D_{50}= 36-INCH OR LARGER, SEE DETAIL 3 ON SHEET DT-01
8. INSTALL RIPRAP D_{50}= 36", 15-FEET WIDE AND 6-FEET DEEP IN EXTENTS OF THE EXISTING CHANNEL THAT IS REGRADED, IN ADDITION TO THE EROSION CONTROL REQUIREMENT SHOWN ON SHEETS EC-01 TO EC-05
9. INSTALL 3'x3' PRECAST CONCRETE JUNCTION BOX WITH SOLID LID AND 6" OUTLET DRAIN PIPE, SEE SECTION E ON SHEET DT-04

SCALE:
HORIZONTAL: 1" = 20'
VERTICAL: 1" = 4'
0 20 40
4 2

Horizontal Scale: 1"=20'
Vertical Scale: 1"=4'

CITY ENGINEER ACCEPTANCE

Russell Funk
Signature

6/8/2026
Date

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PH: 801 . 487 . 8040

CLIENT: D.R.HORTON
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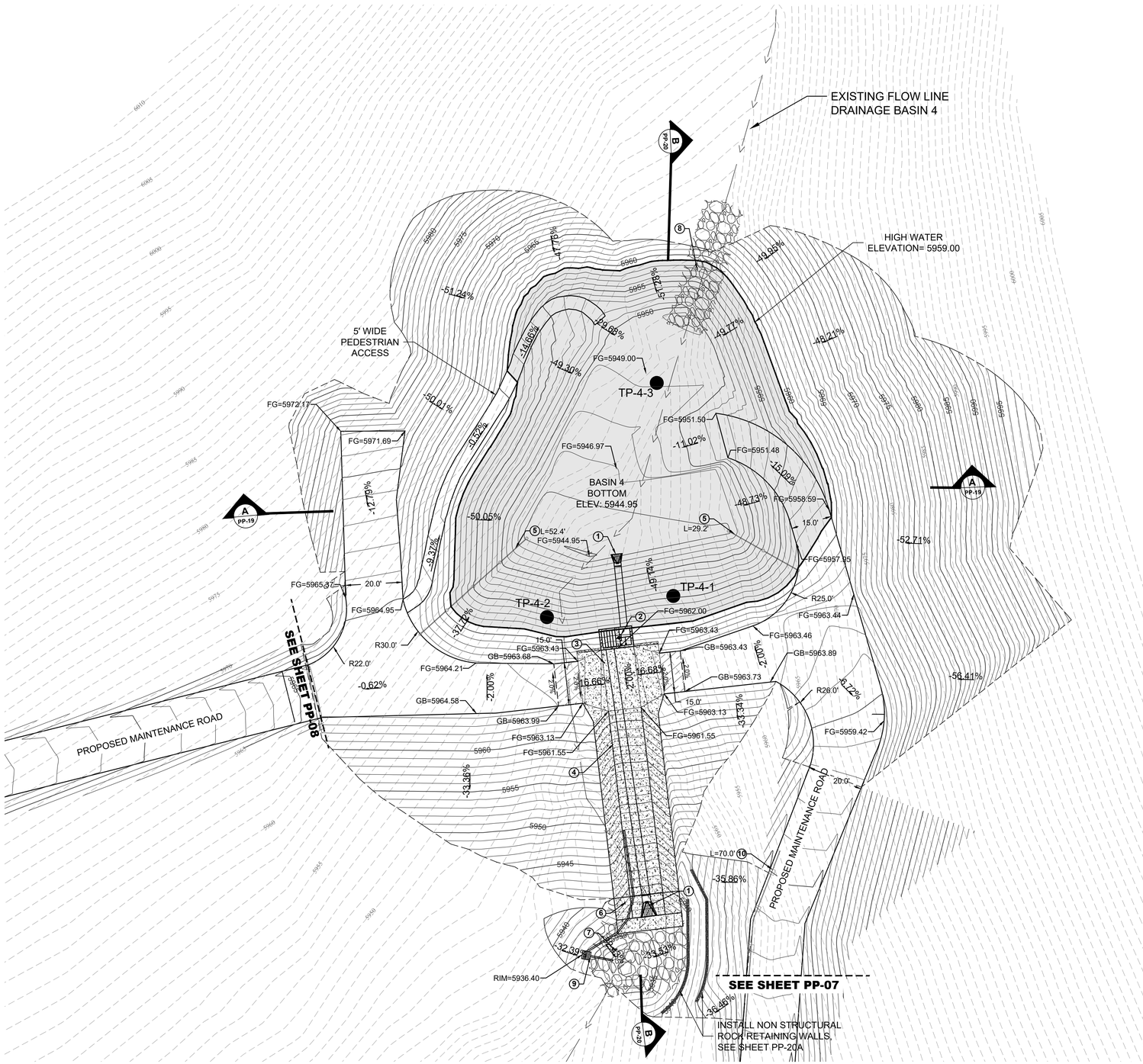
DATE: 04/08/2026

REVISIONS

6	03/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions

PROFESSIONAL ENGINEER
382348
BRENDAN H THORPE
STATE OF UTAH

SHEET
PP-18



KEY NOTES:

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2. INSTALL POND OVERFLOW STRUCTURE, SEE SHEET DT-05
3. INSTALL CONCRETE OVERFLOW CHANNEL AT THE TOP OF MAINTENANCE ROAD, SEE DETAIL 1 ON SHEET DT-02
4. INSTALL CONCRETE OVERFLOW CHANNEL, SEE DETAILS ON SHEET DT-03
5. INSTALL CLIMBING CHAIN PER DETAIL 1 ON SHEET DT-08
6. INSTALL MONOLITHIC CONCRETE TRANSITION AROUND FLARED END SECTION PER DETAIL 3 ON SHEET DT-01
7. INSTALL LARGE COBBLE PLUNGE POOL FOR ENERGY DISSIPATION, D_{50} = 24-INCH OR LARGER, SEE DETAIL 3 ON SHEET DT-01
8. INSTALL RIPRAP D_{50}= 24", 15-FEET WIDE AND 4-FEET DEEP IN EXTENTS OF THE EXISTING CHANNEL THAT IS REGRADED, IN ADDITION TO THE EROSION CONTROL REQUIREMENT SHOWN ON SHEETS EC-01 TO EC-05
9. INSTALL 3'x3' PRECAST CONCRETE JUNCTION BOX WITH SOLID LID AND 6" OUTLET DRAIN PIPE, SEE SECTION E ON SHEET DT-04
10. INSTALL GUARD RAIL WITH LONG POSTS AND END TREATMENT PER UDOT STANDARD DRAWINGS

LEGEND:

- PROPOSED MAJOR CONTOUR (ELEV.)
- PROPOSED MINOR CONTOUR
- EXISTING MAJOR CONTOUR (ELEV.)
- EXISTING MINOR CONTOUR
- EXISTING FLOW LINE OF DRAINAGE BASIN
- PROPOSED CLIMBING CHAIN, SEE SHEET DT-08
- PROPOSED CONCRETE FLARED END SECTION
- PROPOSED STORM DRAIN OVERFLOW BOX
- OVERFLOW CONCRETE CHANNEL
- RIPRAP / COBBLE
- CROSS SLOPE TRANSITION AREA

BASIN 4 INFORMATION	
BOTTOM ELEVATION	5944.95 FT.
HIGH WATER ELEVATION	5959 FT.
TOTAL VOLUME PROVIDED	2.38 AC FT.
TOTAL VOLUME REQUIRED*	2.38 AC FT.

* TOTAL VOLUME REQUIRED WAS OBTAINED FROM THE HEBER CITY DRAINAGE MASTER PLAN.

BASIN 4 DEPTH TO BEDROCK	
TEST PIT LOCATION	DEPTH TO BEDROCK
TP-4-1	6 FT.
TP-4-2	7 FT.
TP-4-3	9 FT.

THE TABLE ABOVE SHOWS THE DEPTH AT THE TEST PIT LOCATIONS WHERE BEDROCK WAS ENCOUNTERED DURING THE EXCAVATION. REFER TO THE GEOSTRATA PRELIMINARY RESULTS OF GEOTECHNICAL INVESTIGATION OF OFFSITE DEBRIS BASINS AT THE END OF THIS PLAN SET FOR MORE INFORMATION.

20 0 20 40 60

Scale 1" = 20'

CITY ENGINEER ACCEPTANCE

Russell Funk
Signature

6/8/2026
Date

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HIGHLANDS RESIDENTIAL DEVELOPMENT
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SITE & GRADING PLAN - DEBRIS BASIN 4

231 West 800 South Salt Lake City, Utah 84101
Ward Engineering Group
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PH: 801 . 487 . 8040

CLIENT: D.R.HORTON
DWG: DEBRIS BASINS GRADING AND PSPS.DWG
JOB No: 3891-DRH01-23
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REVISIONS

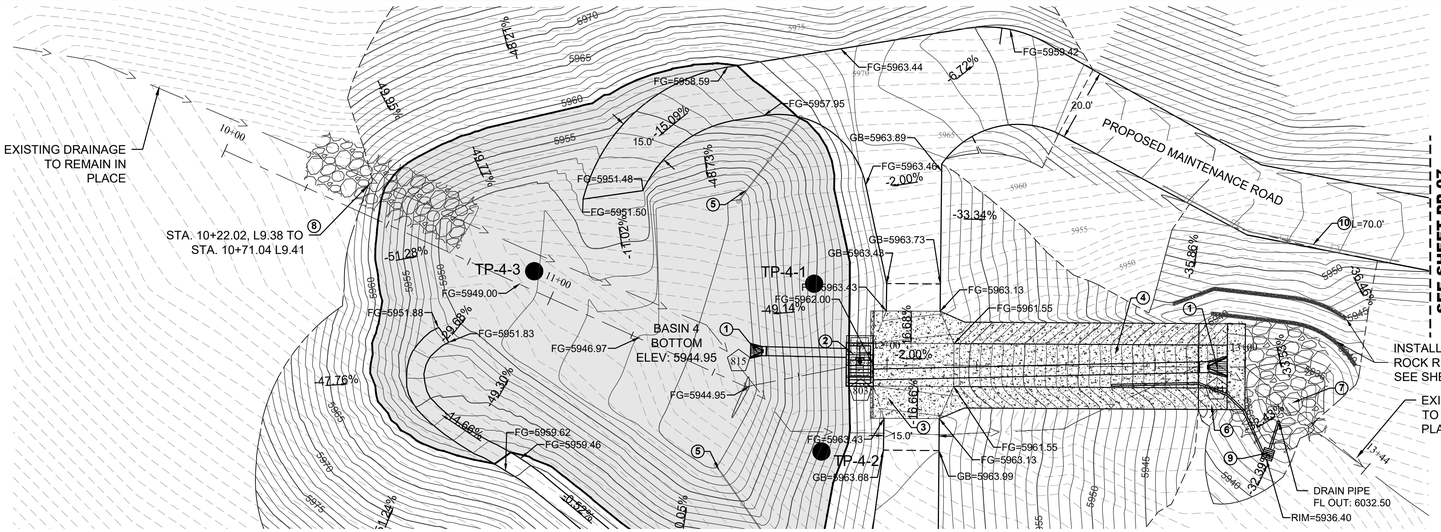
6	03/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions

PROFESSIONAL ENGINEER
362348
BRENDAN H THORPE
STATE OF UTAH

SHEET
GP-02

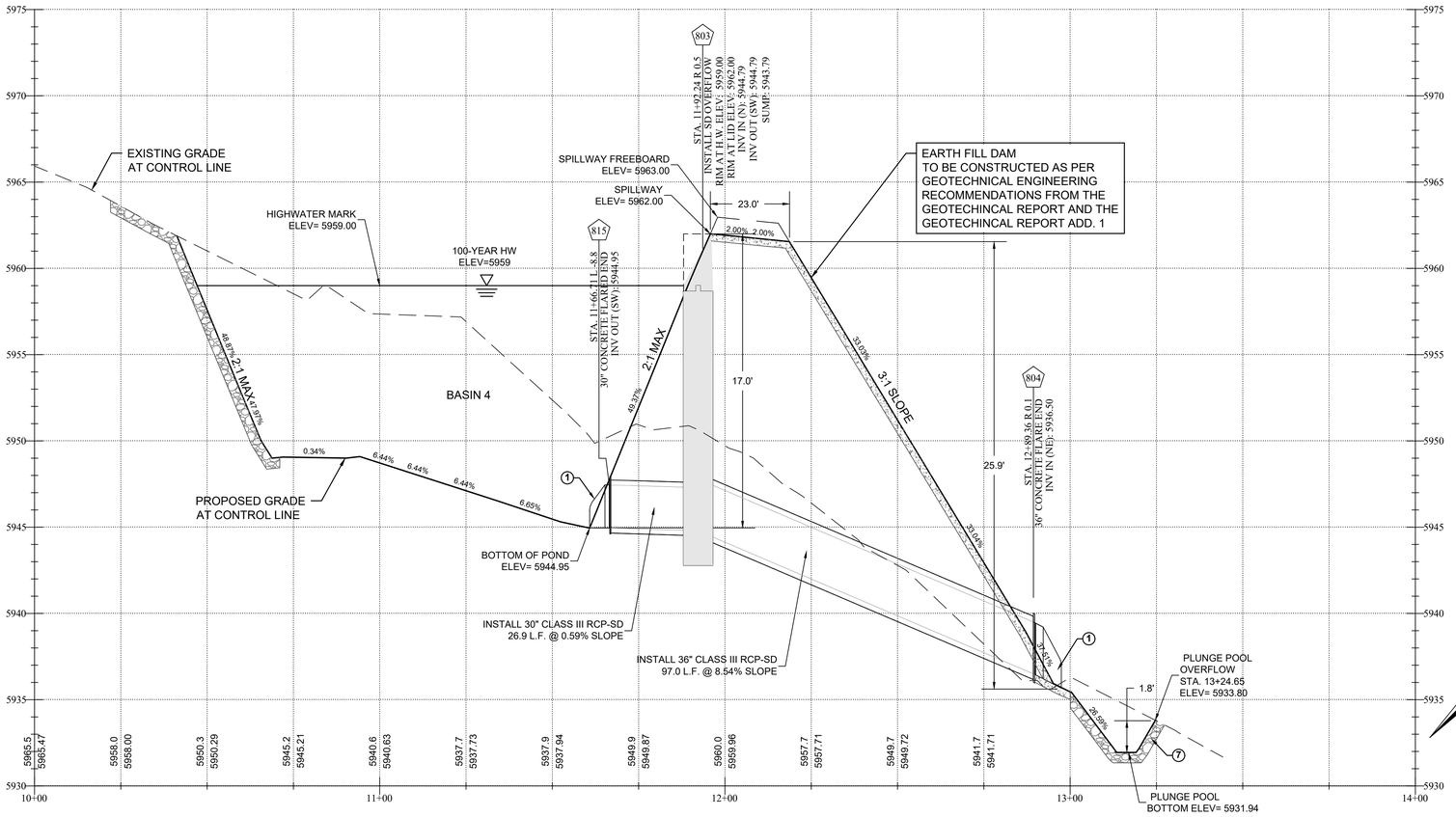
PLOT DATE AND TIME: 5/20/2026 10:52 AM
TAB: GP-02 Pond 4
FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\2024-11-25\2024-11-23 Debris Basins Base\Debris Basins Grading and P&Ps.dwg

FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\2024-11-25\2024-11-23 Debris Basins Base\Debris Basins Grading and P&Ps.dwg TAB: PP-20 Pond 4-B PLOT DATE AND TIME: 5/20/2026 10:53 AM



LEGEND:

- PROPOSED MAJOR CONTOUR (ELEV.)
- PROPOSED MINOR CONTOUR
- EXISTING MAJOR CONTOUR (ELEV.)
- EXISTING MINOR CONTOUR
- EXISTING FLOW LINE OF DRAINAGE BASIN
- PROPOSED CLIMBING CHAIN, SEE SHEET DT-08
- PROPOSED CONCRETE FLARED END SECTION
- PROPOSED STORM DRAIN OVERFLOW BOX
- OVERFLOW CONCRETE CHANNEL
- RIPRAP / COBBLE



KEY NOTES:

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2. INSTALL POND OVERFLOW STRUCTURE, SEE SHEET DT-05
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10. INSTALL GUARD RAIL WITH LONG POSTS AND END TREATMENT PER UDOT STANDARD DRAWINGS

SCALE:
HORIZONTAL: 1" = 20'
VERTICAL: 1" = 4'

Horizontal Scale: 1"=20'
Vertical Scale: 1"=4'

CITY ENGINEER ACCEPTANCE

Signature

6/8/2026
Date

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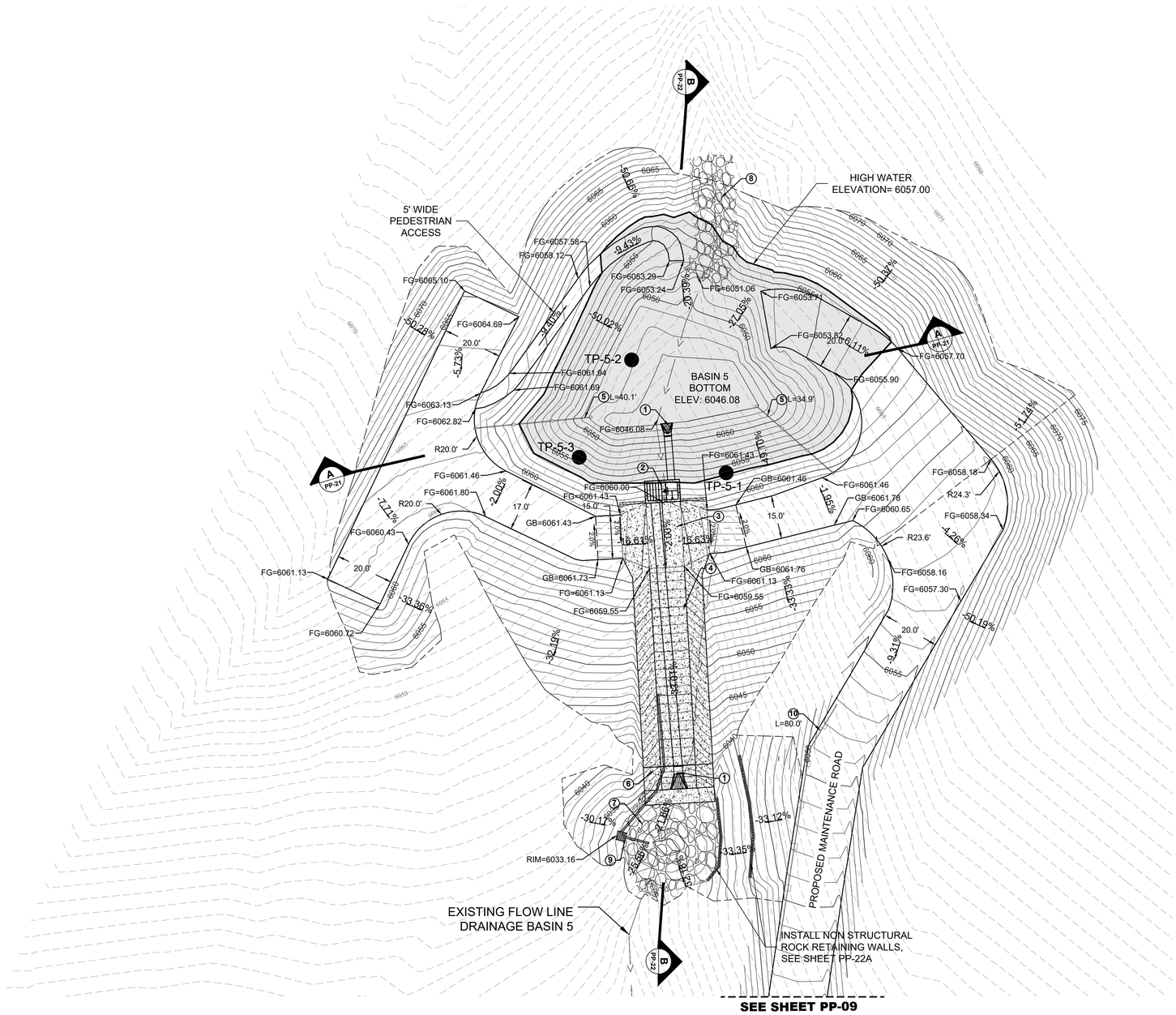
DATE: 04/08/2026

REVISIONS

6	03/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions

PROFESSIONAL ENGINEER
362348
BRENDAN H THORPE
STATE OF UTAH

SHEET
PP-20



KEY NOTES:

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2. INSTALL POND OVERFLOW STRUCTURE, SEE SHEET DT-05
3. INSTALL CONCRETE OVERFLOW CHANNEL AT THE TOP OF MAINTENANCE ROAD, SEE DETAIL 1 ON SHEET DT-02
4. INSTALL CONCRETE OVERFLOW CHANNEL, SEE DETAILS ON SHEET DT-03
5. INSTALL CLIMBING CHAIN PER DETAIL 1 ON SHEET DT-08
6. INSTALL MONOLITHIC CONCRETE TRANSITION AROUND FLARED END SECTION PER DETAIL 3 ON SHEET DT-01
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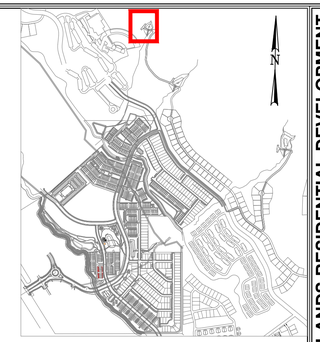
10. INSTALL GUARD RAIL WITH LONG POSTS AND END TREATMENT PER UDOT STANDARD DRAWINGS



LEGEND:

- PROPOSED MAJOR CONTOUR
- PROPOSED MINOR CONTOUR
- EXISTING MAJOR CONTOUR
- EXISTING MINOR CONTOUR
- EXISTING FLOW LINE OF DRAINAGE BASIN
- PROPOSED CLIMBING CHAIN, SEE SHEET DT-08
- PROPOSED CONCRETE FLARED END SECTION
- PROPOSED STORM DRAIN OVERFLOW BOX
- OVERFLOW CONCRETE CHANNEL
- RIPRAP / COBBLE
- CROSS SLOPE TRANSITION AREA

BASIN 5 INFORMATION	
BOTTOM ELEVATION	6046.08 FT.
HIGH WATER ELEVATION	6057 FT.
TOTAL VOLUME PROVIDED	0.89 AC FT.
TOTAL VOLUME REQUIRED*	0.89 AC FT.

* TOTAL VOLUME REQUIRED WAS OBTAINED FROM THE HEBER CITY DRAINAGE MASTER PLAN.

BASIN 5 DEPTH TO BEDROCK	
TEST PIT LOCATION	DEPTH TO BEDROCK
TP-5-1	9.5 FT.
TP-5-2	7 FT.
TP-5-3	7 FT.

THE TABLE ABOVE SHOWS THE DEPTH AT THE TEST PIT LOCATIONS WHERE BEDROCK WAS ENCOUNTERED DURING THE EXCAVATION. REFER TO THE GEOSTRATA PRELIMINARY RESULTS OF GEOTECHNICAL INVESTIGATION OF OFFSITE DEBRIS BASINS AT THE END OF THIS PLAN SET FOR MORE INFORMATION.

Scale 1" = 20'

CITY ENGINEER ACCEPTANCE

Signature

6/8/2026
Date

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HIGHLANDS RESIDENTIAL DEVELOPMENT
OFF-SITE POND / DEBRIS BASIN AND MAINTENANCE ACCESS ROAD
HEBER CITY, UT
SITE & GRADING PLAN - DEBRIS BASIN 5

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Ward Engineering Group
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CLIENT: D.R.HORTON
DWG: DEBRIS BASINS GRADING AND P&PS.DWG
JOB No: 3891-DRH01-23
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DATE: 04/08/2026

REVISIONS

6	03/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions

PROFESSIONAL ENGINEER 382348 BRENDAN H THORPE STATE OF UTAH

SHEET
GP-03

FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\2024-11-25\2024-11-23 Debris Basins Basin\Debris Basins Grading and P&Ps.dwg TAB: GP-03 Pond 5 PLOT DATE AND TIME: 5/20/2026 10:54 AM

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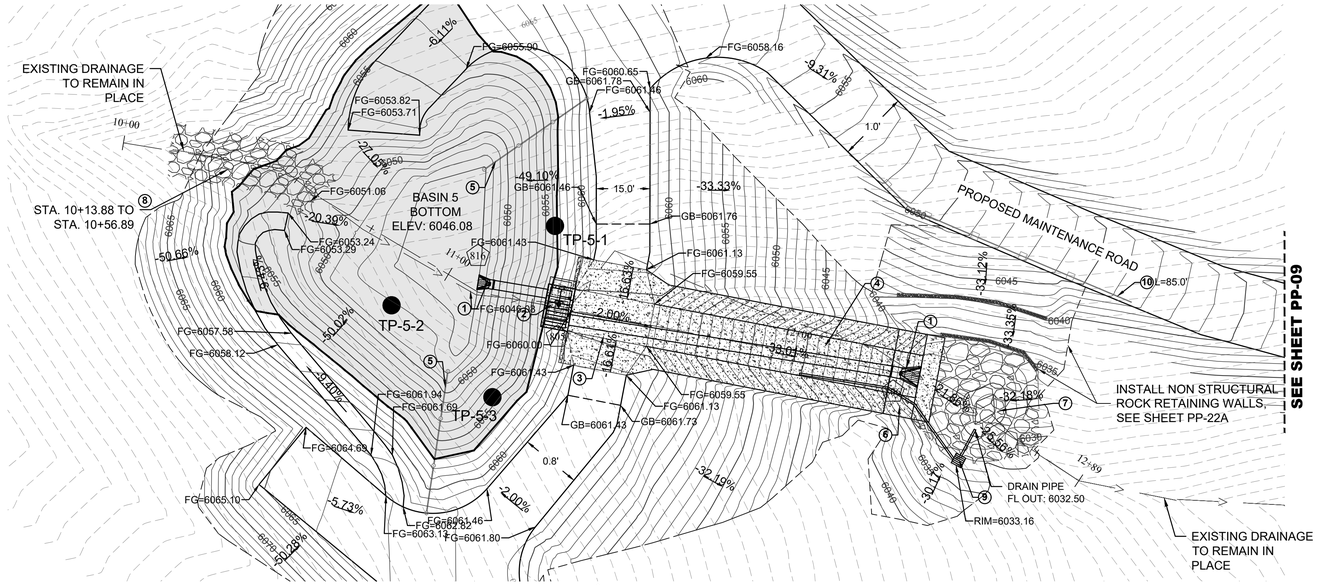
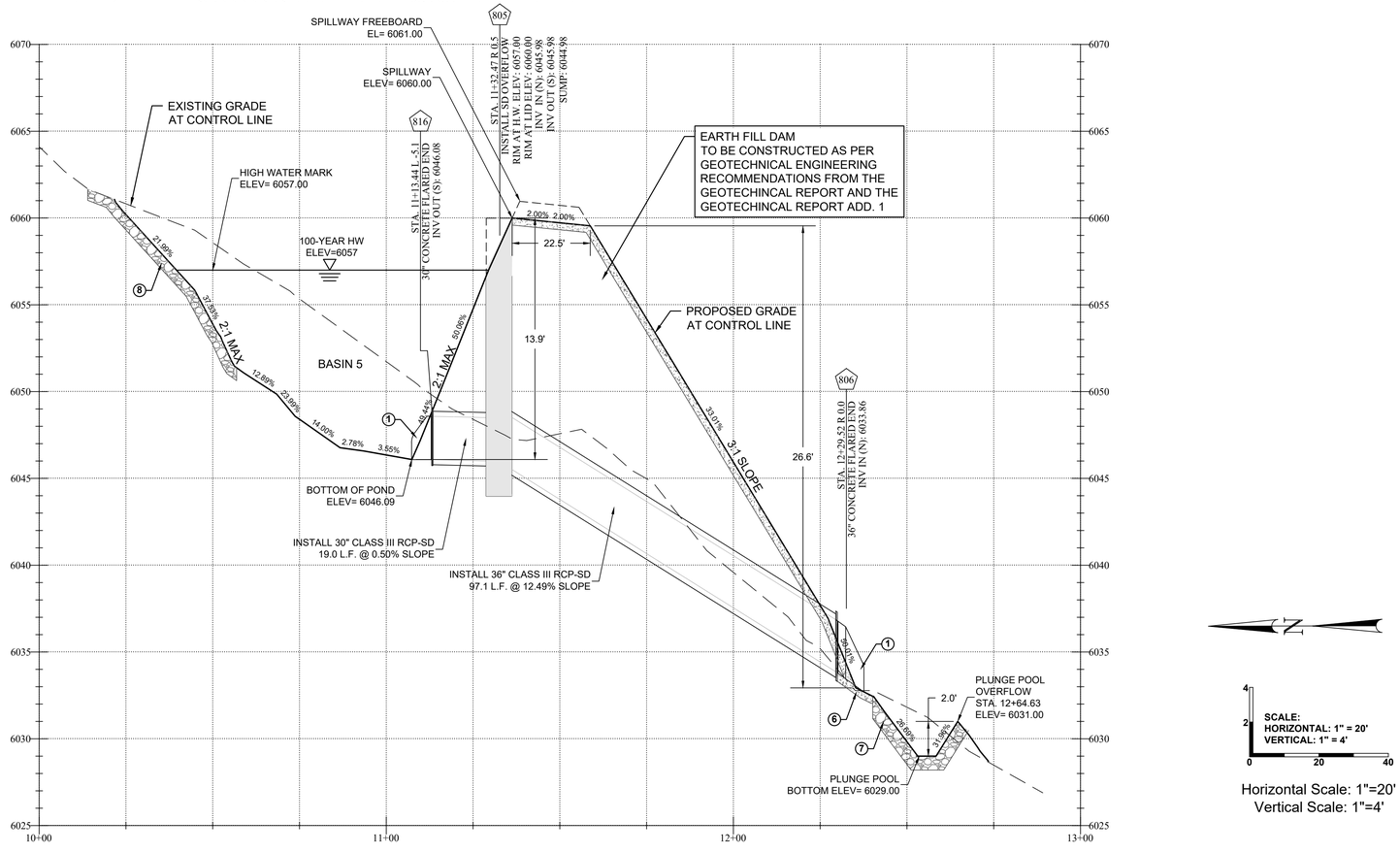


LEGEND:

- PROPOSED MAJOR CONTOUR
- PROPOSED MINOR CONTOUR
- EXISTING MAJOR CONTOUR
- EXISTING MINOR CONTOUR
- EXISTING FLOW LINE OF DRAINAGE BASIN
- PROPOSED CLIMBING CHAIN, SEE SHEET DT-08
- PROPOSED CONCRETE FLARED END SECTION
- PROPOSED STORM DRAIN OVERFLOW BOX
- OVERFLOW CONCRETE CHANNEL
- RIPRAP / COBBLE



SCALE:
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VERTICAL: 1" = 4'

Horizontal Scale: 1"=20'
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CITY ENGINEER ACCEPTANCE

Signature

6/8/2026
Date

HIGHLANDS RESIDENTIAL DEVELOPMENT
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HEBER CITY, UT
DEBRIS BASIN 5 - PLAN AND PROFILE B

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Ward Engineering Group
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DWG: DEBRIS BASINS GRADING AND P&PS.DWG
JOB No: 3891-DRH01-23
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DATE: 04/08/2026

REVISIONS

6	03/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions

PROFESSIONAL ENGINEER
362348
BRENDAN H THORPE
STATE OF UTAH

SHEET
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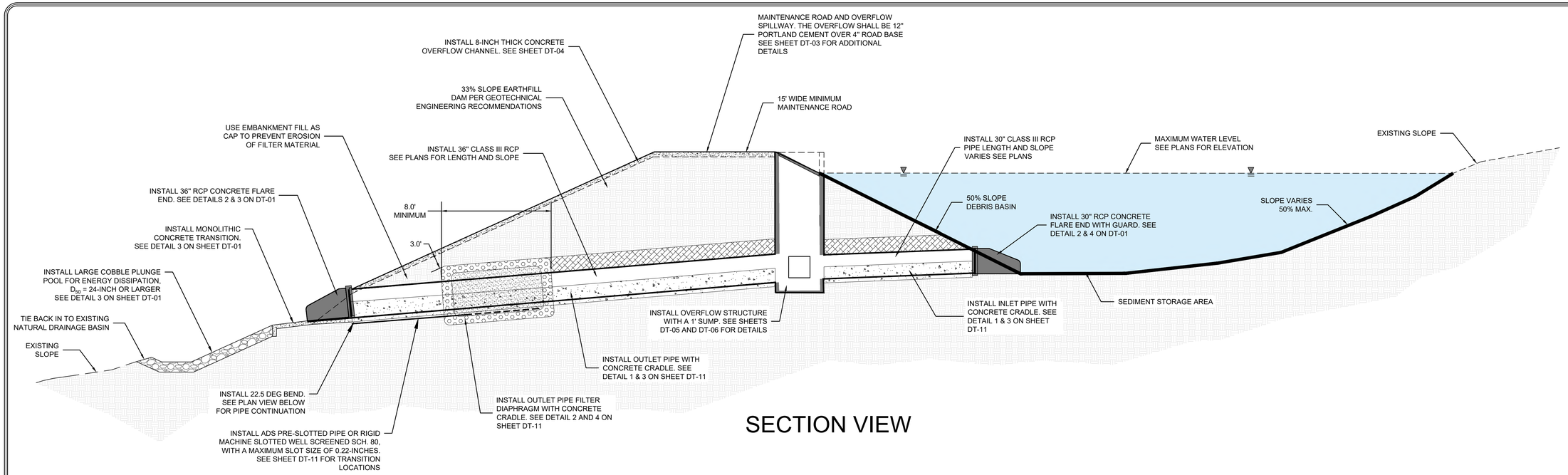
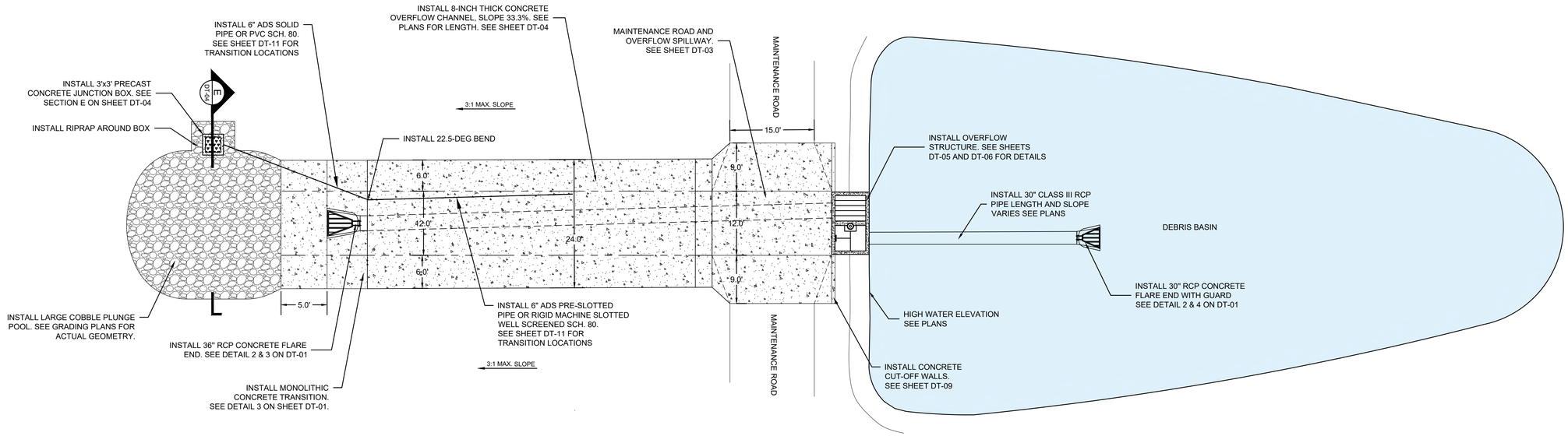
FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\2024-11-25\2024-11-23 Debris Basins Basin\Debris Basins Grading and P&Ps.dwg TAB: PP-22 Pond 5-B PLOT DATE AND TIME: 5/20/2026 10:55 AM



SECTION VIEW



PLAN VIEW

1 Debris Basin Overflow and Maintenance Road Detail

NTS

SEE ALSO SHEETS DT-03 TO DT-06, AND DT-09 TO DT-11

CITY ENGINEER ACCEPTANCE

Russell Funk
Signature

6/8/2026
Date

NVSSD

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HIGHLANDS RESIDENTIAL DEVELOPMENT
OFF-SITE POND / DEBRIS BASIN AND MAINTENANCE ACCESS ROAD
HEBER CITY, UT
STORM DRAIN DETAILS

231 West 800 South Salt Lake City, Utah 84101
Ward Engineering Group
Planning • Engineering • Surveying
PH: 801 .487. 8040

CLIENT: D.R HORTON
DWG: STORM DRAIN DETAILS DT-03.DWG
JOB No. 3891-DRH01-23
DO NOT SCALE THIS DRAWING DRAWING IS REDUCED IF LESS THAN 22in x 34in SCALES ARE NOTED AND NOTES TAKE PRECEDENCE

DRAWN BY: WARD
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REVISIONS

6	03/10/2026	Add. 6 Revisions
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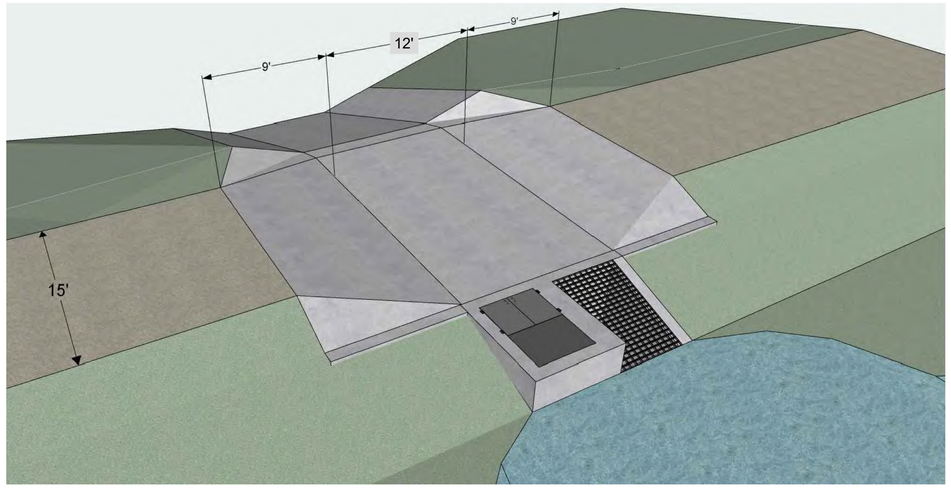
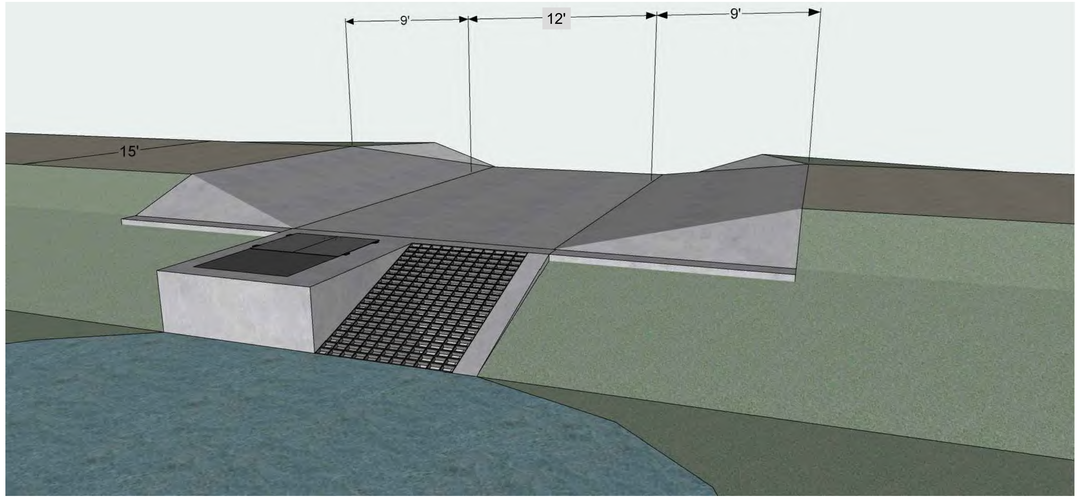
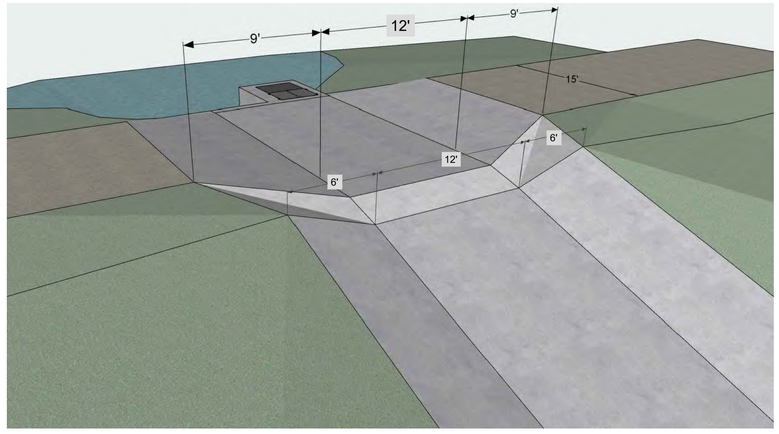
PROFESSIONAL ENGINEER
382348
BRENDAN H THORPE
STATE OF UTAH

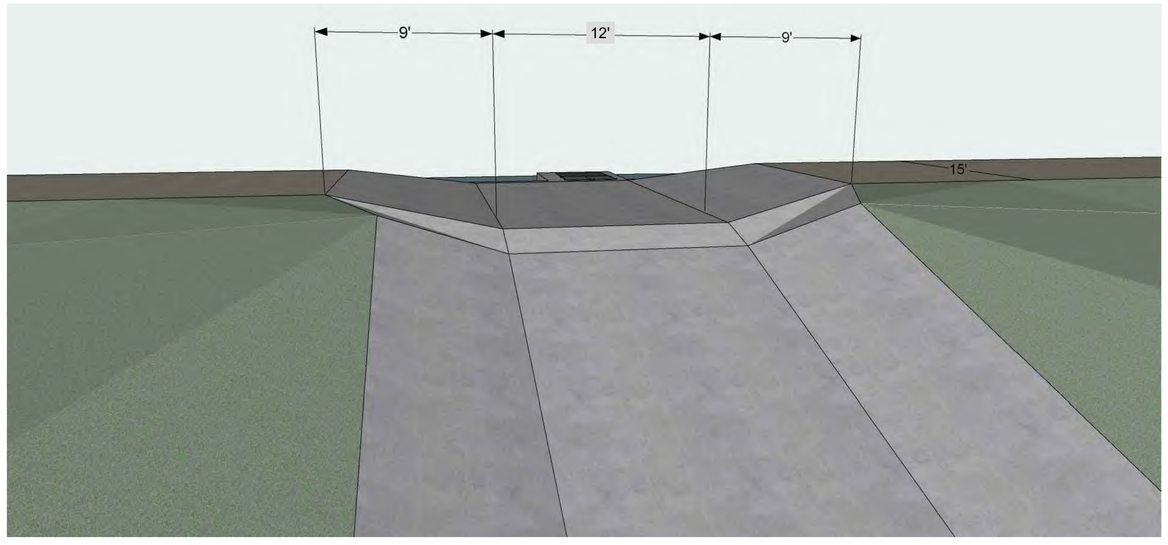
SHEET
DT-02

FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\Storm Drain Details DT-03.dwg TAB: DT-02 PLOT DATE AND TIME: 5/18/2026 2:47 PM









1 Isometric View of Overflow Spillway, Overflow Channel, Overflow Structure, and Maintenance Access Road
NTS

CITY ENGINEER ACCEPTANCE

Russell Frith
Signature

6/8/2026
Date

NVSSD

CALL BEFORE YOU DIG.
IT'S FREE &
IT'S THE LAW
811
1-800-662-4111
208-2100
BLUE STAKES INC.
PO BOX 1910
ORE, UTAH 84059-1917

FILENAME: O:\Highlands\Residential-DR Horton\Debris Basins\Storm Drain Details DT-03.dwg TAB: DT-10 PLOT DATE AND TIME: 5/18/2026 2:49 PM

HIGHLANDS RESIDENTIAL DEVELOPMENT
OFF-SITE POND / DEBRIS BASIN AND
MAINTENANCE ACCESS ROAD
HEBER CITY, UT
ISOMETRIC VIEW OF OVERFLOW

231 West 800 South Salt Lake City, Utah 84101
Ward Engineering Group
Planning • Engineering • Surveying
PH: 801.487.8040

CLIENT: D.R.HORTON
DWG: STORM DRAIN DETAILS DT-03.DWG
JOB No: 3891-DRH01-23
DO NOT SCALE THIS DRAWING. DRAWING IS REDUCED IF LESS THAN 22 in. x 34 in. - USE NOTES AND NOTES 1 PAGE PRECEDING

DRAWN BY: WARD
DESIGN BY: WARD
CHECKED BY: BT
DATE: 04/08/2026

REVISIONS

6	03/10/2026	Add. 6 Revisions
6	04/22/2026	Add. 6 Revisions
6		

PROFESSIONAL ENGINEER
362348
BRENDAN H THORPE
STATE OF UTAH

SHEET
DT-10

Heber City Council Staff Report

MEETING DATE: 6/16/2026
SUBJECT: Celebration Housing Development Agreement
RESPONSIBLE: Tony Kohler
DEPARTMENT: Planning
STRATEGIC RELEVANCE: Community Development

SUMMARY

Mr. Russ Watts has been working with the City on an affordable housing development at 300 East 1200 South entitled Celebration Housing. The City and Mr. Watts have agreed to partner together to help make the development a reality; the City will be looking to defer the impact fees for the development. Recently, Mr. Watts has modified his plan to accommodate more parking, as the School District has decided not to partner with Mr. Watts on parking.

Policy questions for the Council include:

- Is Council comfortable with the proposed parking for the development?

RECOMMENDATION

Staff recommends Council discuss the propoosed development and provide feedback to Mr. Watts.

BACKGROUND

Mr. Russ Watts has petitioned the City for a development agreement on the property located at approximately 301 East 1200 South. This application has been in process since 2023. The Planning Commission discussed the application at a work meeting on July 11, 2023 and held a public hearing on August 22, 2023 and recommended approval of a development agreement for the development. The City Council has reviewed the development agreement term sheet in several work meetings.

See meeting minutes and supplemental information online here:
Planning Commission Work Meeting, July 11, 2023:
https://hebercityut.portal.civicclerk.com/event/19/files/agenda/111
Planning Commission Public Hearing, August 22,
2023: https://hebercityut.portal.civicclerk.com/event/32/files/agenda/147
City Council Work Meeting, April 2,
2024: https://hebercityut.v8.civicclerk.com/Meetings/AgendaPreview?id=67
City Council Work Meeting, October 7,

2025: https://hebercityut.v8.civicclerk.com/Meetings/Agenda?id=217
City Council Work Meeting, December 16,
2025: https://hebercityut.v8.civicclerk.com/Meetings/AgendaPreview?id=223

Since 2023, Mr. Watts has been working on finding parking solutions and financial partners for the development, two of the biggest challenges for the development. The process for approving a development agreement entails a requirement for the Planning Commission to hold a public hearing and make a recommendation on the application, and finally for Council to consider approval of an ordinance. June 16, 2026 is the precursor to the City Attorney and Staff drafting a development agreement for Council to consider at a future meeting.

Section 18.72.030 A. 18. B. of Heber Code requires 2 parking stalls per dwelling unit for multi-family dwellings. 296 parking stalls would be required for the proposed 148 units, with a delta of 25 stalls between the 296 required stalls and the proposed 271 parking stalls. Mr. Watts is asking for Council to consider accepting the proposed 271 parking stalls for Phase 1. This would give time to analyze how the parking situation works before Phase 2 is constructed, and options at that time might include: maintaining the same parking ratio, increasing the amount of parking by negotiation with school district, providing more parking onsite, and/or reducing the number of units in phase 2.

The City adopted a new approach to parking for its future mixed use centers, such as the UVU Center and the Downtown. In this parking requirement found in Section 18.72.A. 22., the code requires a ratio of parking based upon the number of bedrooms per unit. If the City were to apply this parking ratio to Celebration Housing, there would be ample parking, as there would be 266 parking stalls required rather than 284 parking stalls. The different parking ratio was implemented for various reasons, including affordability, walkability and future potential for transit options in the City's centers.

Parking Analysis

Type	Units	Parking Stalls/Unit	Stalls
1 Bd	74	1.25	92.5
2 Bd	24	1.5	36
3 Bd	50	2	100
Guest Stalls	148	0.25	37
SUBTOTAL	**148 units**		**266**

Parking Code Reference
https://heber.municipalcodeonline.com/book?type=planzone#name=18.72_Off-Street_Parking_And_Loading

DISCUSSION

One reason the City might consider this approach to parking, is the location of the development is located near large employers such as the hospital and the high school, making it more likely for those residents working at those facilities to be able to walk and/or bike to work. Mr. Watts has reached out to High Valley Transit and has provided a bus stop along the frontage of 1200 South to

accommodate a bus stop to help facilitate the use of public transportation. Celebration Housing also includes new angled parking along the west side of 400 East as part of Phase 1 and existing angled parking exists on the east side of 400 East, both of which can facilitate overflow parking demand if needed. Finally, the development will be required to provide a second point of ingress/egress eastward to 400 East, and that driveway will be able to accommodate overflow parking along the sides of the driveway.

New HUD Lender Financial Rental Requirements

- 10% of the units at 40% AMI
- 40% of the units at 65% of AMI
- 50% of the units at 80% AMI

See attached Exhibit B Rental Rates

FISCAL IMPACT

N/A

CONCLUSION

None at this time.

ALTERNATIVES

N/A

POTENTIAL MOTIONS

N/A

ACCOUNTABILITY

Department: Planning
Staff member: Tony Kohler, Community Development Director

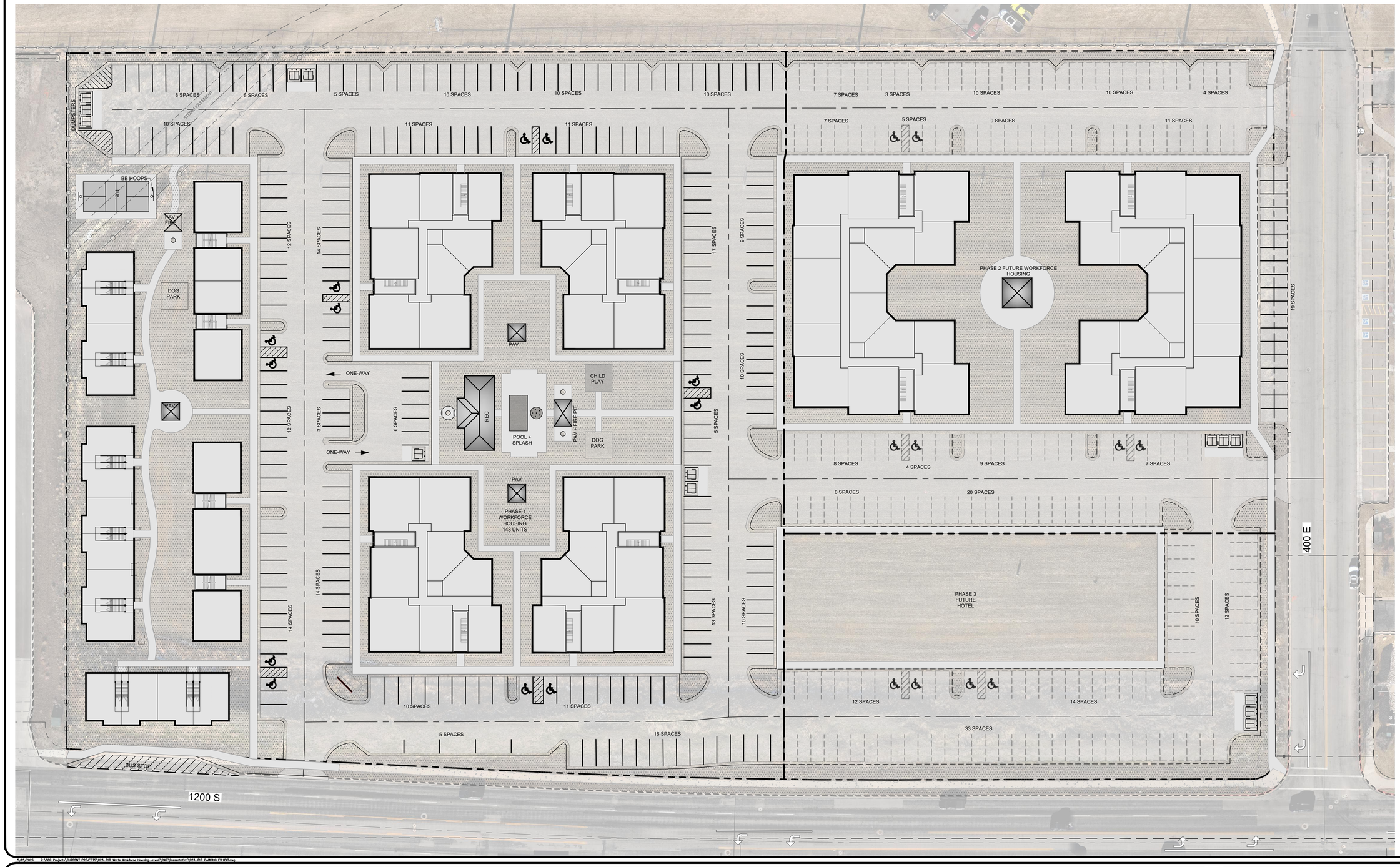
EXHIBITS

1. C23-010 PARKING EXHIBIT-1
2. Celebration Housing Elevations
3. Celebration Housing Exhibit B

PARKING TABULATIONS		
PHASE	UNITS	PARKING STALLS
PHASE 1	148	261
PHASE 2		222

30 0 15 30

1 INCH = 30 FT
(SCALE IN FEET)



5/15/2026 D:\SSD Projects\CURRENT PROJECTS\C23-010 Watts Workforce Housing-Atwell\DWG\Presentation\C23-010 PARKING EXHIBIT.dwg

PROJECT C23-010	PREPARED FOR WATTS ENTERPRISES	PARKING TABULATION EXHIBIT	DRAWN BY: SFS
SHEET 1 OF 1	PROJECT HEBER VALLEYS "CELEBRATION"		REVIEWED BY: BMB
			SCALE: 1" = 30' / ISSUE DATE 5/15/2026

ATWELL
866.850.4200 www.atwell.com
55 W CENTER STREET
HEBER CITY, UT 84032
435-654-9229

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HEBER CITY, UT

EXTERIOR VIEWS

D201

13 MAR. 2026

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EXTERIOR VIEWS

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EXTERIOR VIEWS

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EXTERIOR VIEWS

D204

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HEBER CITY, UT

EXTERIOR VIEWS

D205

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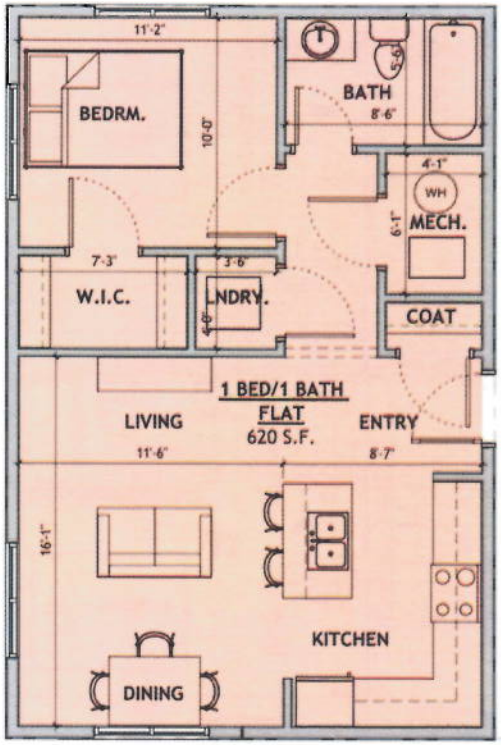
HEBER CITY, UT

EXTERIOR VIEWS

D206

13 MAR. 2026



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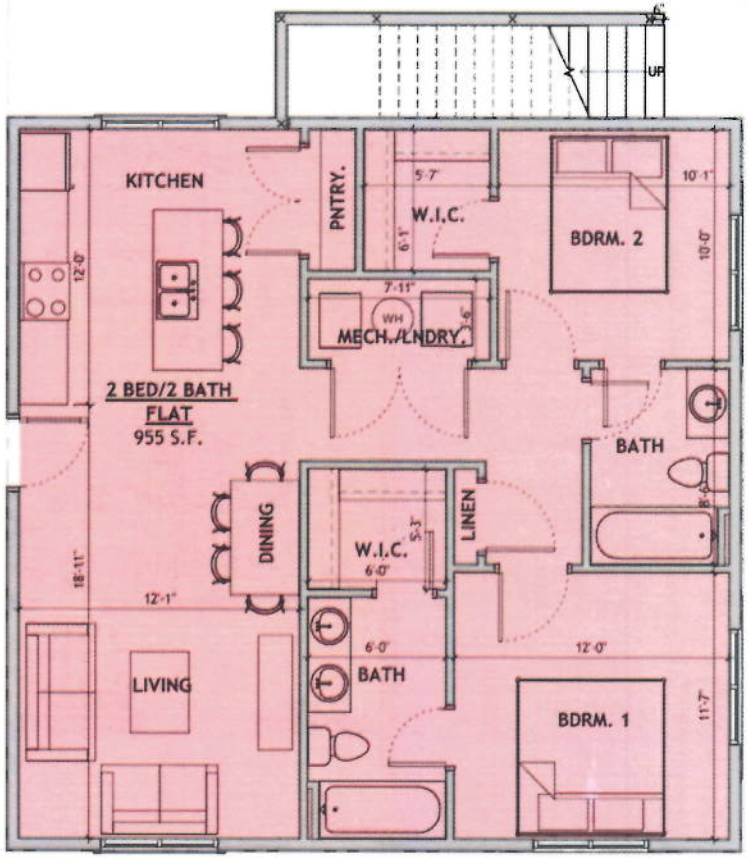

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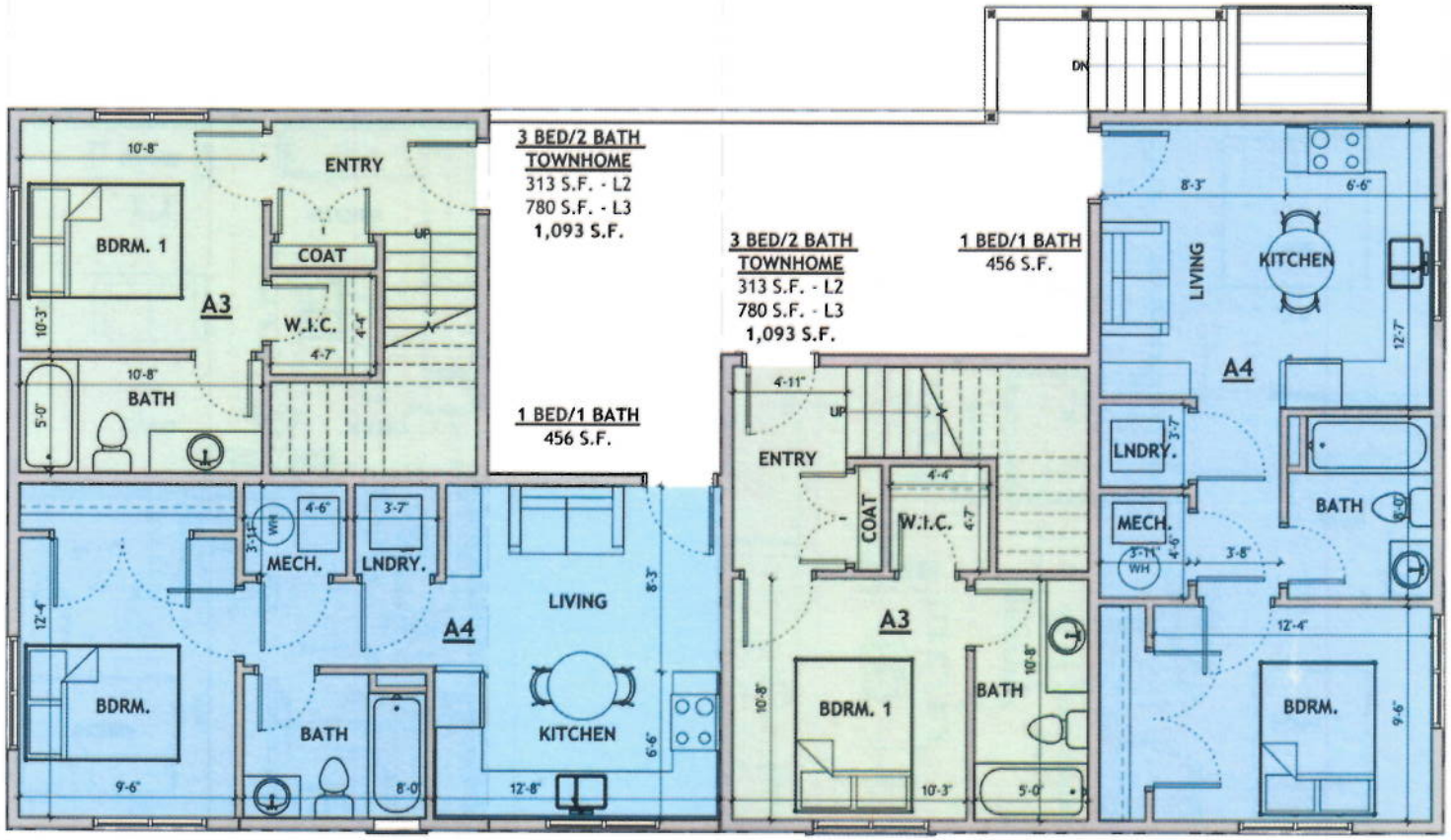
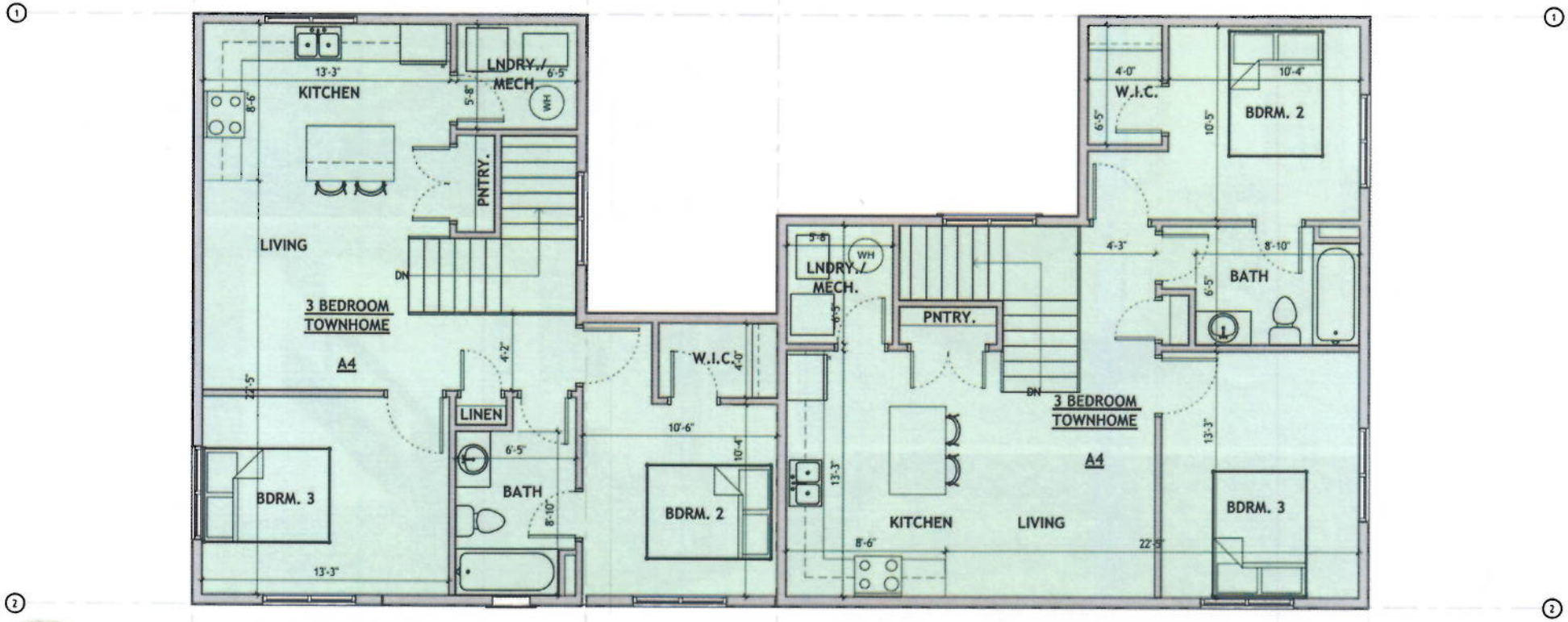
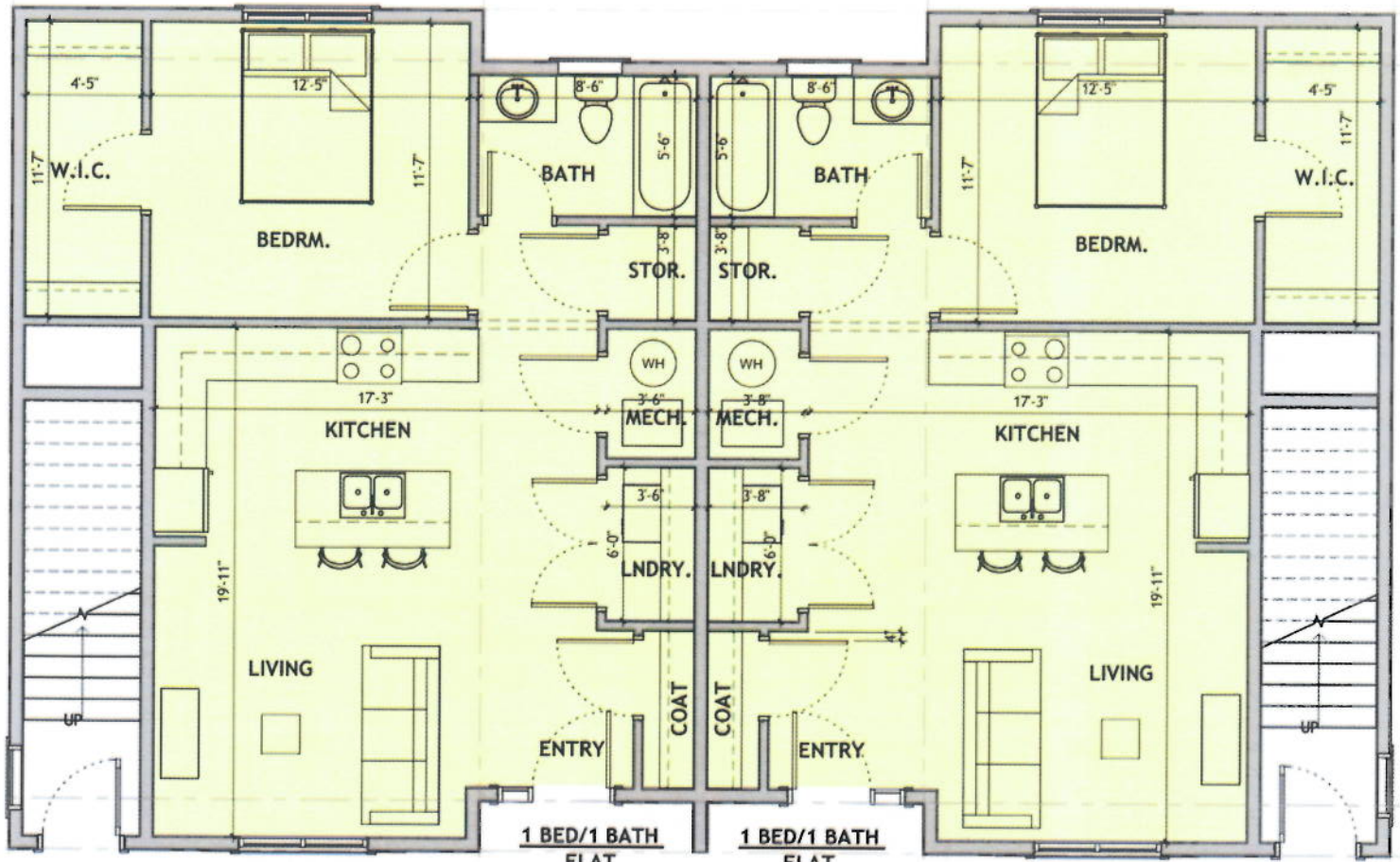
BLD A – 1st Floor



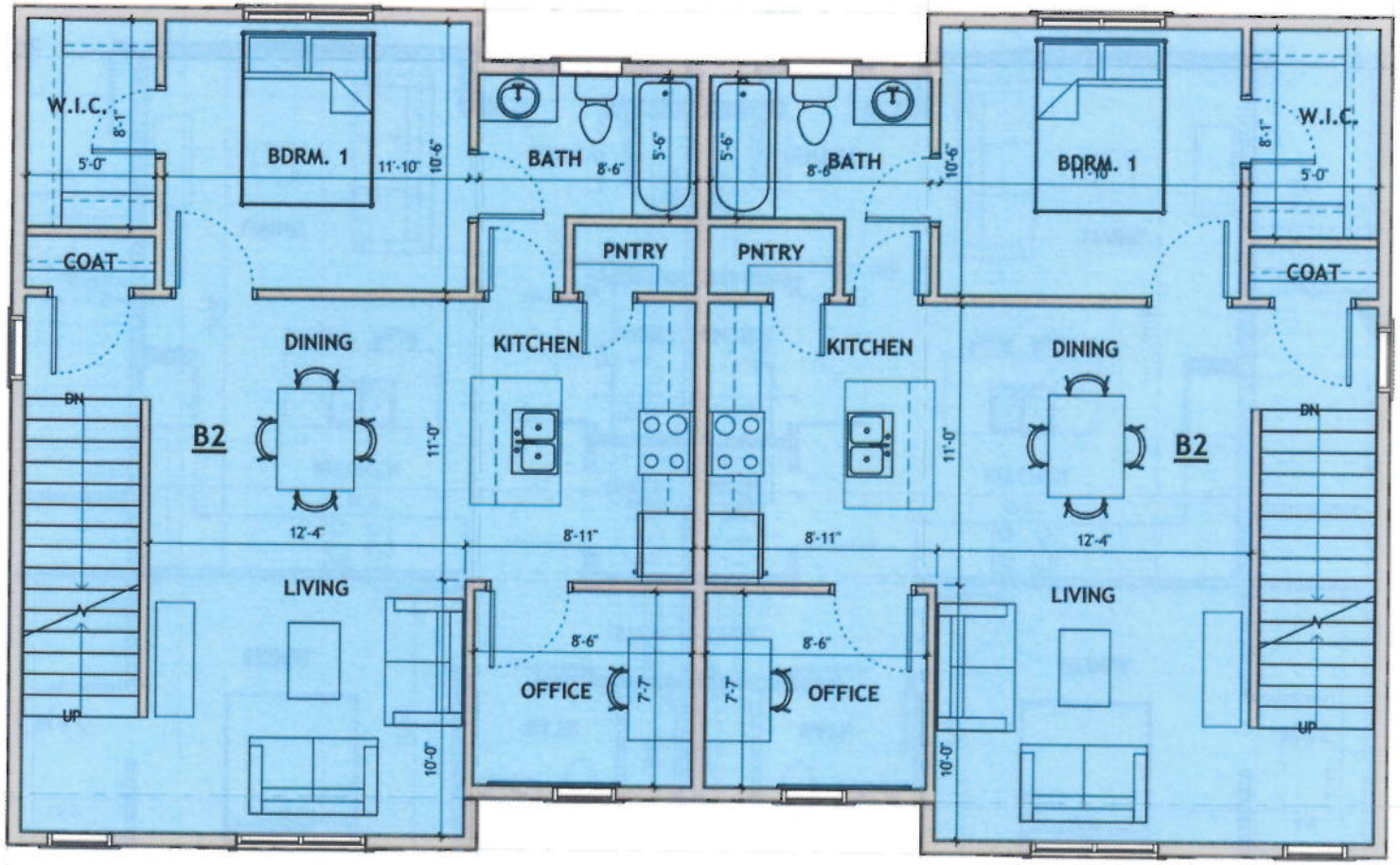
BLD A – 2nd Floor



BLD A – 3rd Floor



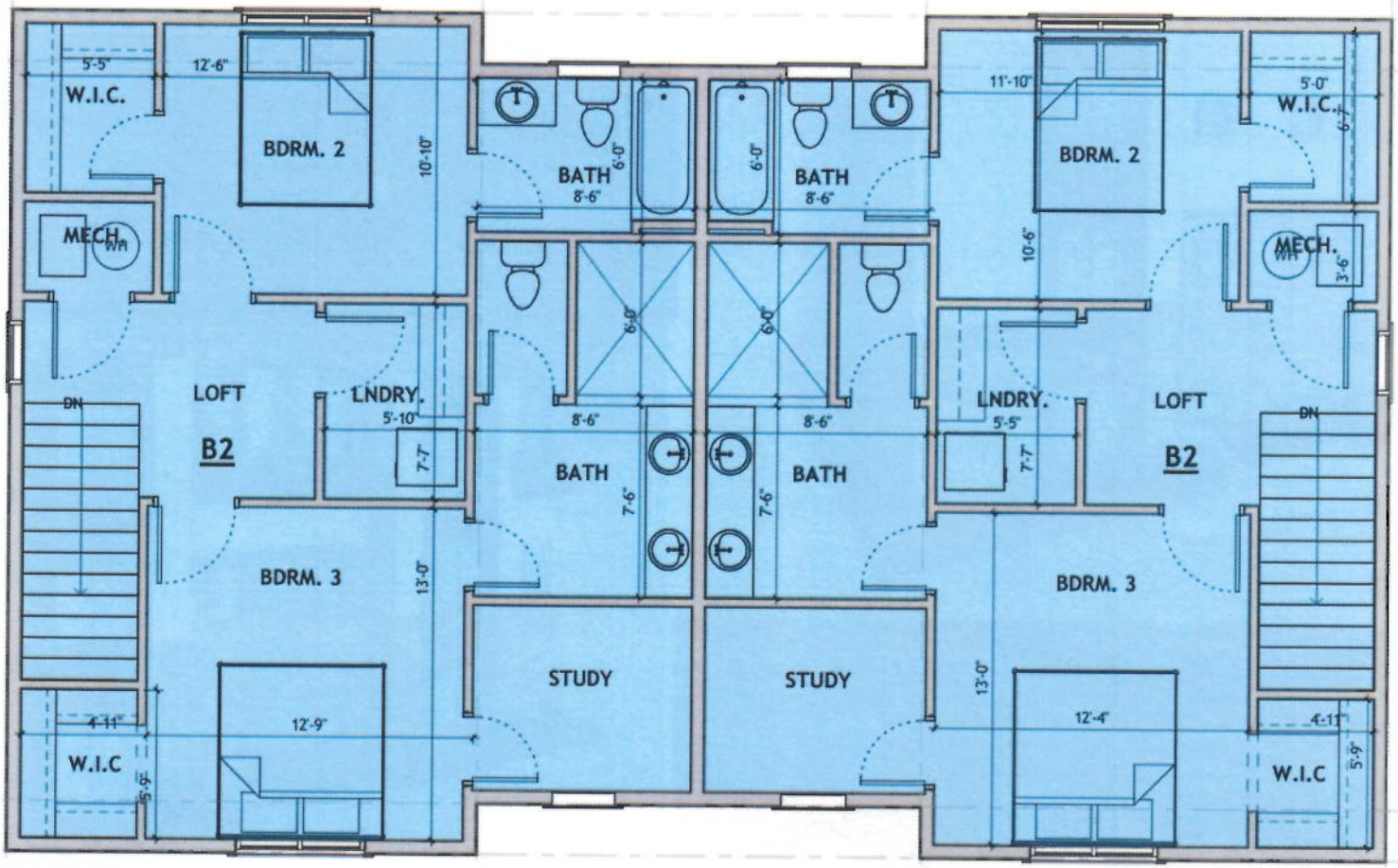
BLD B – 1st Floor



3 BED/3 BATH
TOWNHOME
799 S.F. - L2

BLD B – 2nd Floor

3 BED/3 BATH
TOWNHOME
799 S.F. - L2



BLD B – 3rd Floor

Exhibit B

May 13, 2026
CELEBRATION
Workforce Housing Update
Phase 1 148 Units

A. Parking Stalls Required

(1) Bedroom	74 Units	148
(2) Bedrooms	24 Units	48
(3) Bedrooms	50 Units	100
	Total Required	296
Onsite/Phase 1 stalls		226
	Short Stalls	70

(See Site Plan)

B. HUD Lender / AMI percentage requirement/Deal

- 10% of the units at 40% AMI
- 40% of the units at 65% AMI
- 50% of the units at 65% AMI

(See Rental Chart Attached)

C. Review New project vivid vision elevations.

D. Next steps with Wasatch County School District - Meeting 5/21/26

N APARTMENTS

it Size	40% AMI Count	40% AMI Rent	65% AMI Count	65% AMI Rent	80% AMI Count	80% AMI Rent	Proposed Market	Ble
	10%		40%		50%			
620	4	$ 1,091	15	$ 1,650	17	$1,650	$1,650	
456	3	$ 1,091	10	$ 1,500	11	$1,500	$1,500	
697	2	$ 1,091	6	$ 1,650	6	$1,650	$1,650	
955	3	$ 1,228	10	$ 1,995	11	$2,000	$2,000	
1093	4	$ 1,364	15	$ 2,216	17	$2,400	$2,400	
1598	2	$ 1,364	6	$ 2,216	6	$2,728	$2,750	
	18	**$21,687**	**62**	**$116,136**	**68**	**$133,618**		**$**

Page 1

Sources and Uses				
Sources	**Initial**		**$/SF**	**Total (%)**
Equity	**$9,583,677**	**$**	**75.1**	**21.62%**
Non Cash				
Land Equity	3,570,000	$	28.0	8.05%
Prepaid Expenses	-	$	-	0.00%
Waived Impact Fees	3,200,000	$	25.1	7.22%
Cash to Close	$2,813,677	$	22.0	6.35%
Debt	**$34,739,363**	**$**	**272.1**	**78.38%**
HUD 221(d)(4) Construction Loan	33,989,363	$	266.2	76.69%
Other Debt Sources				
Housing Authority Loan	750,000	$	5.9	1.69%
Public (PID, CPACE)	-	$	-	0.00%
Other	-	$	-	0.00%
Total Sources	**$44,323,040**	**$**	**347.2**	**100.00%**

Uses	**Initial**		**$/SF**	**Total (%)**
Land Costs	3,570,000	$	28.0	8.05%
Soft Costs	6,896,991	$	54.0	15.56%
Hard Costs	30,527,693	$	239.1	68.88%
Financing Costs	3,328,356	$	26.1	7.51%
Total Uses	**$44,323,040**	**$**	**347.2**	**100.0%**

ANNUAL | CELEBRATION APARTMENTS

Dates															
Project Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Year Starting		4/1/2026	4/1/2027	4/1/2028	4/1/2029	4/1/2030	4/1/2031	4/1/2032	4/1/2033	4/1/2034	4/1/2035	4/1/2036	4/1/2037	4/1/2038	4/1/2039	4/1/2040

Development																
Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Construction Costs	6,770,000	-	32,287,704	5,265,336	-	-	-	-	-	-	-	-	-	-	-	-
Cash Utilized	6,770,000	-	2,813,677	-	-	-	-	-	-	-	-	-	-	-	-	-

Operations																
Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Total Operating Revenues		-	-	2,484,362	3,542,237	3,634,686	3,727,134	3,819,582	3,912,031	4,004,479	4,096,928	4,189,376	4,281,825	4,374,273	4,466,722	4,559,170
Total Operating Expenses		-	-	(808,089)	(1,113,791)	(1,143,996)	(1,174,200)	(1,204,405)	(1,234,609)	(1,264,814)	(1,295,018)	(1,325,223)	(1,355,427)	(1,385,632)	(1,415,836)	(1,446,041)
Total Fee & CapEx		-	-	(125,137)	(175,697)	(177,588)	(181,480)	(185,372)	(189,263)	(193,155)	(197,046)	(200,938)	(204,830)	(208,721)	(212,613)	(216,505)
Net Income		-	-	1,551,136	2,254,749	2,313,101	2,371,454	2,429,806	2,488,158	2,546,511	2,604,863	2,663,215	2,721,568	2,779,920	2,838,272	2,896,624
NI Margin		*0.00%*	*0.00%*	*62.44%*	*63.65%*	*63.64%*	*63.63%*	*63.61%*	*63.60%*	*63.59%*	*63.58%*	*63.57%*	*63.56%*	*63.55%*	*63.54%*	*63.53%*
Operating Debt Service		-	-	(2,304,461)	(2,513,957)	(2,513,957)	(2,513,957)	(2,513,957)	(2,513,957)	(2,513,957)	(2,513,957)	(2,513,957)	(5,904,778)	(2,315,854)	(2,315,854)	(2,315,854)
DSCR		*0.00x*	*0.00x*	*0.67x*	*0.90x*	*0.92x*	*0.94x*	*0.97x*	*0.99x*	*1.01x*	*1.04x*	*1.06x*	*0.46x*	*1.20x*	*1.23x*	*1.25x*
Operating Cash Flow		-	-	(257,666)	(225,169)	(166,817)	(108,465)	(50,112)	8,240	66,592	124,945	183,297	(3,033,611)	498,104	556,457	614,809

Reversion																
Year	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Sale Price	-	-	-	-	-	-	-	-	-	-	-	-	53,820,238	-	-	-
Outstanding Loan	-	-	-	-	-	-	-	-	-	-	-	-	(28,464,966)	-	-	-
Cost of Sale	-	-	-	-	-	-	-	-	-	-	-	-	(807,303)	-	-	-
Sale Proceeds	-	-	-	-	-	-	-	-	-	-	-	-	24,547,964	-	-	-

Combined Cash Flows	(6,770,000)	-	(2,813,677)	(257,666)	(225,169)	(166,817)	(108,465)	(50,112)	8,240	66,592	124,945	183,297	21,514,352	-	-	-
Cash on Cash			-44.08%	-4.04%	-3.53%	-2.61%	-1.70%	-0.79%	0.13%	1.04%	1.96%	2.87%	337.02%	0.00%	0.00%	0.00%

AVG Cash on Cash	26.0%
Equity Multiple	2.11x
Profit	11,505,520
IRR	6.91%

DSCR	0.00x	0.00x	0.67x	0.90x	0.92x	0.94x	0.97x	0.99x	1.01x	1.04x	1.06x	0.46x	1.20x	1.23x	1.25x
Debt Yield	0.0%	0.0%	4.6%	6.6%	6.8%	7.0%	7.1%	7.3%	7.5%	7.7%	7.8%	8.0%	8.2%	8.4%	8.5%

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Public Hearing and Possible Adoption of the Final Budget Amendment for Fiscal Year 2026 Resolution 2026-13
RESPONSIBLE:	Sara Nagel
DEPARTMENT:	Administrative
STRATEGIC RELEVANCE:	Necessary Administrative Action

SUMMARY

The final budget amendment for FY 2026 incorporates necessary adjustments to reflect unanticipated expenditures, updated project timelines, and Council-approved items. These adjustments ensure compliance with Utah Code and maintain alignment with Heber City's strategic priorities.

The City has complied with all public noticing requirements:

- Complied with all the Class A noticing requirements outlined in Utah State Code 63G-30-102
- Notice was published on the City's website; social media sites; the State's Public Notice Website; and on the City building bulletin boards.

RECOMMENDATION

Staff recommends that the City Council hold a public hearing to receive comment on the proposed budget amendment for FY 2026 and approve the amendment by resolution as presented.

BACKGROUND

Periodically, the City needs to amend the budget to address items such as unanticipated expenditures, a change in department needs, procurement delays or a shift in project timelines. This is the final budget amendment request in Fiscal Year 2026.

DISCUSSION

City staff determined there are unexpected expenditures and changes to project timelines that require consideration for a budget amendment to be in compliance with State code 10-6-123.

The proposed amendment is designed to ensure that expenditures do not exceed budgeted resources. Exhibit "A" in resolution 2026-13 provides details and fiscal impacts of the budget changes staff is recommending.

FISCAL IMPACT

Please see the attached Fund Summary for a summary presenting estimated beginning fund balances, proposed revenue and expenditures budgets, and estimated ending fund balances.

CONCLUSION

Staff recommends that you move to approve resolution 2026-13 as presented, with the findings and conditions presented.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Sara Nagel, Finance Manager

EXHIBITS

1. Budget Amendment Resolution 2026-13
2. Exhibit A
3. Fund Summary
4. Budget Amendment Forms

HEBER CITY, UTAH
RESOLUTION NO. 2026-06

A RESOLUTION APPROVING THE FINAL AMENDMENT TO THE HEBER CITY BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2026 (FY 2026).

WHEREAS, the Utah Uniform Fiscal Procedures Act provides for the legislative body to review and amend individual budgets of funds during the budget period as necessary to address changing circumstances (UCA § 10-6-127); and

WHEREAS, the Financial Director of Heber City has determined that amendments to the FY 2026 budget are necessary to address operational needs and priorities, as detailed in the attached Exhibit "A"; and

WHEREAS, in compliance with state law (UCA § 10-6-113), the City provided proper public notice and held a Public Hearing on Tuesday, June 16, 2026, to solicit feedback from residents regarding the proposed amendments to the FY 2026 budget;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Heber City, Utah, that:

The Heber City Budget for the fiscal year ending June 30, 2026, is hereby amended as outlined in the attached Exhibit "A," which is incorporated by reference and made an integral part of this Resolution.

ADOPTED AND PASSED by the City Council of Heber City, Utah, on this _____ day of _____, 2026, by the following vote:

	AYE	NAY
Council Member Yvonne Barney	_____	_____
Council Member Aaron Cheatwood	_____	_____
Council Member Mike Johnston	_____	_____
Council Member Morgan Murdock	_____	_____
Council Member Sid Ostergaard	_____	_____

APPROVED:

_____
Mayor Heidi Franco

ATTEST:

_____ Date: _____
RECORDER

EXHIBIT "A"

GENERAL FUND (10)

Request: Midway Police Services Year-end Amendment

Source:

Account Number	Account Name		Amount
10.3870	Fund Surplus		$ 41,000.00
		Total	$ 41,000.00

Use:

Account Number	Account Name		Amount
10.5612	Overtime		$ 41,000.00
		Total	$ 41,000.00

TRAILS, ARTS AND PARKS FUND (23)

Request: Main Stage Backdrop

Source:

Account Number	Account Name		Amount
23.3870	Fund Surplus		$ 49,500.00
		Total	$ 49,500.00

Use:

Account Number	Account Name		Amount
23.4073	Improvements Other Than Building		$ 49,500.00
		Total	$ 49,500.00

Request: TVT HVAC Replacement

Source:

Account Number	Account Name		Amount
23.3870	Fund Surplus		$ 90,000.00
		Total	$ 90,000.00

Use:

Account Number	Account Name		Amount
23.4073	Improvements Other Than Building		$ 90,000.00
		Total	$ 90,000.00

PUBLIC SAFETY FUND (43)

Request: 2014 STR Debt Service Payment

Source:

Account Number	Account Name		Amount
43.3227	Public Safety Impact Fee		$ 140,000.00
43.3870	Contributions Fund Surplus		(26,000.00)
		Total	$ 114,000.00

Use:

Account Number	Account Name		Amount
43.4094	Transfer to Debt Service		$ 114,000.00
		Total	$ 114,000.00

CULINARY WATER FUND (51)

Request: Irrigation Company

Source:

Account Number	Account Name		Amount
51.3870	Fund Surplus		$ 100,000.00
		Total	$ 100,000.00

Use:

Account Number	Account Name		Amount
51.4031	Professional Services		$ 100,000.00
		Total	$ 100,000.00

PRESSURIZED IMPACT FEE FUND (58)

Request: I-004 Daniel Rd 1450 S to 1300 S

Source:

Account Number	Account Name		Amount
58.3870	Fund Surplus		$ 250,000.00
		Total	$ 250,000.00

Use:

Account Number	Account Name		Amount
58.4073	Improvements Other Than Building		$ 250,000.00
		Total	$ 250,000.00

AIRPORT CAPITAL IMPROVEMENT FUND (41)

Request:

Source:

Account Number	Account Name		Amount
41.3870	Fund Surplus		$ 100,000.00
		Total	$ 100,000.00

Use:

Account Number	Account Name		Amount
41.4072	Buildings and Improvements		$ 100,000.00
		Total	$ 100,000.00

INTERFUND TRANSFERS

Request: Airport Special Revenue Fund to Airport Capital Improvement Fund

Source:

Account Number	Account Name		Amount
21.3473	Airport Landing Fees		$ 98,495.00
21.3474	Hangar Transfer Fees		79,350.00
41.3820	Contributions From Other Funds		177,845.00
41.3870	Airport CIP Fund Surplus		(177,845.00)
		Total	$ 177,845.00

Use:

Account Number	Account Name		Amount
21.7030	Transfer to Capital Improvement Fund		$ 177,845.00
		Total	$ 177,845.00

Fund Balance Review for FY 2025: Final Budget Amendment
(Based on Budgeted Amounts)

	FY 2026 Beginning Fund Balance	Total Budgeted Revenue	Revenue Adjustments	Total Budgeted Expenses	Proposed Amendment	FY 2026 Estimated Ending Fund Balance
General Fund (10)	$ 6,260,965	$ 17,677,332	$ -	$ 18,529,561	$ 41,000	$ 5,367,736
TAP Tax Fund (23)	$ 581,688	$ 1,610,000	$ -	$ 1,873,450	$ 139,500	$ 178,738
Airport Special Service (21)	$ 17,741	$ 1,021,040	$ 177,845	$ 968,411	$ 177,845	$ 70,370
Airport Capital Fund (41)	$ (149,597)	$ 7,116,126	$ 177,845	$ 7,116,126	$ 100,000	$ (71,752)
Public Safety (43)	$ 14,144	$ 133,886	$ 140,000	$ 165,000	$ 114,000	$ 9,030
Culinary Water (51/66)	$ 3,286,051	$ 4,254,550	$ -	$ 6,540,646	$ 100,000	$ 899,955
PI Impact (58)	$ 1,320,118	$ 318,904	$ -	$ 430,077	$ 250,000	$ 958,945

Note:

-Total Budgeted Revenue does not include the use of Fund Surplus.

-Certain beginning fund balances are based on modified cash accrual to give a more accurate reflection of funds available for current year expenditures.

-Water, Sewer, Storm Water and PI operating funds share cash balances with capital funds. As such, operating and capital funds are shown together to give an more accurate reflection of total funds available. Impact fee funds are shown discreetly as cash in those funds are restricted for approved impact fee projects only.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

Midway Police Services

Requested By:

Chief Parker Sever

1. Amendment Summary

Project Title/ O&M Category:

Year-end Budget Amendment

GL Account:

Original Budget Allocation:

$ 444,272.00

Amount of Requested Amendment:

$ 41,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Budget amendment requested to cover overtime requests from Midway City. All Midway Police Services are covered by an offsetting Midway Police Service Revenue.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☐ Special Revenue Fund
- ☒ Other:

Midway Police Services Intergovernmental Revenue

Justification for Funding Source(s):

Midway City Contract

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☐ Yes
- ☐ No
- ☒ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Budget increase will ensure budget is in compliance with State code.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

Various General Fund Departments

Requested By:

Sara Nagel

1. Amendment Summary

Project Title/ O&M Category:

Year-end - Interdepartmental Transfers

GL Account:

Original Budget Allocation:

$ 0.00

Amount of Requested Amendment:

$ 0.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Budget amendment requested to transfer certain balances from one general fund department with budget surplus to another general fund department with a budget deficit. No new funds requested. See attached schedule for details.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☐ Special Revenue Fund
- ☒ Other:

Interdepartmental transfer

Justification for Funding Source(s):

No new funding requesting.

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☐ Yes
- ☐ No
- ☒ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Transfers will ensure budget is in compliance with State code.

General Fund Interdepartmental Transfer Summary

From Department	To Department	Transfer Amount	Description
Engineering	Legislative	$ 55,000.00	Transfer will cover additional costs for required election services provided by the County ($9.5K). Additionally, a budget amendment is requested to cover Council approved donations and sponsorships to Red, White and Blue Festival ($20K), Wasatch County Children's Justice Center ($11K) and Wasatch County Parks and Recreation UHSRA ($10K).
Planning	Judicial	$ 35,000.00	Transfer will cover retirement leave payouts and additional underestimated salary costs ($35K).
Building	Administrative	$ 57,000.00	Transfer will cover underestimated salary and benefits costs allocated ($57K).
General Government Building	Human Resources	$ 15,600.00	Transfer will cover unexpected costs in subscriptions ($1.5K), professional services ($6K), training ($4.6K) and recruiting ($3.5K).
Building	Information Technology	$ 54,000.00	Transfer will cover ClearGov software costs from Admin to IT Department ($34K), unbudgeted software costs for CivicPlus/Civic Rec ($9K) which is used for managing HMOM vendors and park reservations, Civic Review ($11K) to restart service for business licensing as Cityworks was not working for BL.
Roads	Cemetery	$ 73,000.00	Transfer will cover costs for tree replacement at the cemetery.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

TAP Tax

Requested By:

Phil Jordan/Matt Brower

1. Amendment Summary

Project Title/ O&M Category:

Main Stage Backdrop

GL Account:

23.4073

Original Budget Allocation:

$ 0.00

Amount of Requested Amendment:

$ 49,500.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Budget amendment requested to fund the City Council approved main stage backdrop. This item was approved at the May 29, 2026 City Council meeting.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☑ Special Revenue Fund
- ☐ Other:

TAP Tax

Justification for Funding Source(s):

This project falls under Council approved uses for TAP funds.

Will this amendment affect future budgets?

- ☐ Yes
- ☑ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☑ Yes
- ☐ No
- ☐ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Budget increase will ensure budget is in compliance with State code.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

TAP Tax

Requested By:

Art Advisory Board

1. Amendment Summary

Project Title/ O&M Category:

Main Stage Backdrop

GL Account:

23.4073

Original Budget Allocation:

$ 0.00

Amount of Requested Amendment:

$ 27,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Budget amendment requested to fund the City Council approved main stage backdrop. This item was approved at the May 29, 2026 City Council meeting.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☑ Special Revenue Fund
- ☐ Other:

TAP Tax

Justification for Funding Source(s):

This project falls under Council approved uses for TAP funds.

Will this amendment affect future budgets?

- ☐ Yes
- ☑ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☑ Yes
- ☐ No
- ☐ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Budget increase will ensure budget is in compliance with State code.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

TAP Tax

Requested By:

Steve Simpson

1. Amendment Summary

Project Title/ O&M Category:

TVT HVAC Replacement

GL Account:

23.4073

Original Budget Allocation:

$ 0.00

Amount of Requested Amendment:

$ 90,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

This is amendment is a rollforward request from FY 2025. In FY 2025, Timpanogos Valley Theater staff communicated to City staff the critical need to install an HVAC system in the theater. Council approved the request as a budget amendment on June 17, 2025. The HVAC unit was installed in the fall of 2027.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☒ Special Revenue Fund
- ☐ Other:

TAP Tax

Justification for Funding Source(s):

This project falls under Council approved uses for TAP funds.

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☒ Yes
- ☐ No
- ☐ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

An HVAC system was deemed critical to the health and safety of TVT staff and patrons. The budget increase will ensure budget is in compliance with State code.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

Public Safety Impact Fee

Requested By:

Sara Nagel

1. Amendment Summary

Project Title/ O&M Category:

2014 STR Debt Service Payment

GL Account:

43.4094

Original Budget Allocation:

$ 165,000.00

Amount of Requested Amendment:

$ 114,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Budget amendment requested to increase the interfund transfer between the Public Safety Impact Fee fund to the Debt Service Fund. The City uses public safety impact fees to pay the 2014 STR debt payment to the fullest extent possible. In the current year, the public safety impact fee revenue is projected to cover the payment in full.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☐ Special Revenue Fund
- ☒ Other:

Impact Fee Revenue

Justification for Funding Source(s):

Public Safety Impact Fee revenue revenue fund is trending above budget.

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☐ Yes
- ☐ No
- ☒ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Budget increase will ensure budget is in compliance with State code.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/3/26

Department:

Public Works Water Department

Requested By:

Candace Bufton

1. Amendment Summary

Project Title/ O&M Category:

Professional Services

GL Account:

51.4031

Original Budget Allocation:

$ 117,358.00

Amount of Requested Amendment:

$ 100,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

A budget amendment is being requested to account for expenses that were not included in the original FY budget. Specifically, payments to the irrigation companies were inadvertently omitted during the budget development process and therefore require funding to cover current obligations.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☐ Special Revenue Fund
- ☒ Other:

Utility Fees

Justification for Funding Source(s):

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☒ Yes
- ☐ No
- ☐ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

This adjustment is necessary to maintain accurate financial reporting, properly fund contractual obligations, and align actual expenditures with the services and programs benefiting from these costs.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/4/26

Department:

Engineering

Requested By:

Russ Funk

1. Amendment Summary

Project Title/ O&M Category:

I-004 Daniel Road 1450 S to 1300 S PI Connection

GL Account:

58-4073

Original Budget Allocation:

$ 0.00

Amount of Requested Amendment:

$ 250,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

The PI Master Plan calls for a small project (I-004) to connect two pieces of the existing pressurized irrigation system together along Daniel Rd between 1450 S and 1300 S. In addition, the City has PI Impact Fee funds that need to be spent or encumbered before the end of FY2026 in order to remain in compliance with Impact Fee Law. The design will be complete by end of FY2026, with construction occurring in FY2027. Unused funds will be rolled over into FY2027 in a future amendment.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☒ Special Revenue Fund
- ☐ Other:

Justification for Funding Source(s):

Original FY26 Budget
- Fund 58 - Irrigation - $0

Revised FY26 Budget Request
- Fund 58 - Irrigation - $250,000

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☒ Yes
- ☐ No
- ☐ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Increase system capacity to serve future system demands.

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

Airport Capital Improvement Fund

Requested By:

Adam Bunker

1. Amendment Summary

Project Title/ O&M Category:

Hangar Row Pavement Rehabilitation

GL Account:

41.4072

Original Budget Allocation:

$ 248,470.00

Amount of Requested Amendment:

$ 100,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Staff requests an additional $100K for the pavement rehabilitation project to cover unforeseen complications with "soft spots" in the pavement. UDOT approved additional project funding up to $200K with the expectation that Heber City Airport would cover 50%. The original budget for the project is covered 90% by the UDOT. Staff anticipates sufficient fund balance to cover this additional cost.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☐ Special Revenue Fund
- ☒ Other:

Airport Fund Surplus

Justification for Funding Source(s):

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☒ Yes
- ☐ No
- ☐ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

UDOT requires the city to commit to 50% of the additional project cost of $200K. See attached for further details.

HEBER Hangar Row

Approved Scope

ACIP PROJECT SCOPING ESTIMATE			
AIRPORT	Heber Valley Airport	FUNDING YEAR	2026
STATE GRANT AMOUNT	$559,057		
PROJECT TITLE	Pavement Rehabilitation – Ramp Taxiway by Hangar Row		

SCOPING ESTIMATE	
ITEM	COST
Engineering and Administration Fees [1]	$90,372
Construction Inspection Fees [1]	$34,767
Construction Costs [2]	$668,972.00
Amendment - Pavement Cores	$1,390
Total	~~$794,111~~ $795,501

UTC Approved:

The 5-year ACIP is for planning purposes only. Individual project funding is not assured until grants are issued. **Revised 4/8/2025**

Airport ID	Year	Airport	Project Description	Funding Source	Federal	State	Sponsor	Total
HCR	2026	Heber City Municipal	Pavement Rehab - Ramp to Taxiway	State	$0	$559,057	$62,118	$621,175

Awarded Construction: $338,025

Fees/Costs: $125,139 (90,372+34,767)

Requested Cores: $1,390

Request #1 (90/10) soft areas: $100,000 * *This request is within the approved budget**

Sub-Total: $564,554

Difference: $621,175 - $564,554 = $56,621 (*remaining in approved budget*)

Request #2 project area: $200,000 **Budget Amendment #1**

Total with Request #2: $564,554 + $200,000 = $764,554; State match: $564,554*0.90 + $200,000*0.50 = $608,098.6

Total with Request #2: $564,554 + $200,000 = $764,554; Local match: $564,554*0.10 + $200,000*0.50 = $156,455.4

Request #2 State match amendment #1 $608,098.6 - $559,057 =~$49,042

Request #2 Local match amendment #1 $156,455.4 – $62,118 = ~$94,337

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

Airport Special Revenue/Capital Improvement Fund

Requested By:

Sara Nagel

1. Amendment Summary

Project Title/ O&M Category:

Year-end Budget Amendment - Interfund Transfer

GL Account:

21.7030, 21.3473, 21.3474, 41.3820

Original Budget Allocation:

$ 213,200.00

Amount of Requested Amendment:

$ 177,845.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Budget amendment requested to increase the interfund transfer between the Airport Operating and the Airport CIP fund. The transfer reflects increased fund surplus in the Airport Operating Fund. All transfers from the operating fund to the CIP fund are used for future Airport projects.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☐ Special Revenue Fund
- ☒ Other:

Interfund transfer and fund surplus

Justification for Funding Source(s):

Airport operating revenue fund is trending above budget and we anticipate a larger fund surplus.

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☐ Yes
- ☐ No
- ☒ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Budget increase will ensure budget is in compliance with State code.

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Public Hearing and Possible Adoption of Ordinance 2026-13 Amending the Consolidated Fee Schedule
RESPONSIBLE:	Sara Nagel
DEPARTMENT:	Finance
STRATEGIC RELEVANCE:	Necessary Administrative Action

SUMMARY

The purpose of this report is to recommend the adoption of the consolidated fee schedule. The amended schedule includes increases to certain Utility Fees and Building Plan Review fees that Staff presented to council during the budget workshop on May 6, 2026 and May 8, 2026. The schedule also includes updates to ancillary admin fees, animal control fees, planning fees and other miscellaneous items identified by Staff during our annual review. The schedule aims to enhance transparency and ensure the fees reflect the cost of services provided.

RECOMMENDATION

Staff recommends that Council hold a public hearing to receive comment on the proposed Consolidated Fee Schedule and approve ordinance 2026-13 adopting the consolidated fee schedule as contained in Exhibit A. These updates are necessary for maintaining fiscal responsibility and ensuring city services are adequately funded.

BACKGROUND

The proposed amendments to the Culinary, Sewer, Stormwater and Pressurized Irrigation fees were developed through a Utility Rate Study.
The proposed amendments to other services and fees are derived from an annual review of the Consolidated Fee Schedule by Staff to ensure transparency and that fees reflect the cost of service.

Key elements of the proposed amendments include:
Cost Recovery: Updating fees to match the current costs associated with providing city services.
Equity: Ensuring fees are fair and proportionate to the services provided.

DISCUSSION

Certain parts of the fee schedule are amended separately from the annual budget process, such as Airport Fees and Impact Fees. Those updated fees have been incorporated into the consolidated fee

schedule.

Every year, as part of the annual budget process, Staff reviews the Consolidated Fee Schedule and proposes updates to ensure fees are transparent and reflect the cost of services provided. Certain fees, such as utility fees, are derived from formal rate studies.

Key updates to the schedule are as follows:

- Increases in certain utility rates: Culinary Water - 12%, Sewer - 8%, Stormwater - 9% as recommended in the Zions Bank 2024 Utility Rate Study. The utility rate increases ensure the fees are sufficient to cover necessary operating and capital costs. Staff expects to perform another Utility Rate Study in FY 2027.
- New Animal Control Surrender Fees.
- Increase in Building Plan Review Fees from 40%/25% of the building permit fee on commercial permits and residential permits, respectively, to 65% of the building permit fee across all reviews.
- New and updated Heber Market on Main fees.
- New Planning fees related to PID and Site Plans.

All updates are detailed in Exhibit A.

FISCAL IMPACT

Fiscal impact from utility fees can be reviewed in the Tentative Budget which can be found online at https://city-heber-ut-cleardoc.cleargov.com/22558. The fiscal impact from other changes in the Consolidated Fee Schedule is based on requested services and/or fines incurred.

CONCLUSION

Amending the existing Consolidated Fee Schedule is essential to ensure Heber City's fees remain current, equitable, and aligned with the actual cost of providing services. These updates support the City's long-term financial sustainability while maintaining high-quality service delivery.

Staff recommends that the City Council approve Ordinance 2026-13, adopting the proposed amendments to the Consolidated Fee Schedule.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue

I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Finance
Staff member: Sara Nagel, Finance Manager

EXHIBITS

1. Notice of Public Hearing
2. Consolidated Fee Schedule Ordinance 2026-13
3. Exhibit A Consolidate Fee Schedule 2026-2027 Clean
4. Exhibit A Consolidate Fee Schedule 2026-2027 Redlined

HEBER CITY COUNCIL
PUBLIC HEARING NOTICE
SALARIES IN MUNICIPALITIES

In accordance with UCA 10-3-818, notice is hereby given that the Heber City Council will hold a public hearing on Tuesday, June 2, 2026, at 6:00 p.m. in the Heber City Office Building Council Chambers located at 75 North Main Street, Heber City, Utah. The purpose of the hearing is to review compensation increases for executive municipal officers. Public comment is welcome and may be delivered in person, virtually via the link found on the City website https://www.heberut.gov/256/Agendas-and-Minutes, or by sending an email to CCPublic@heberut.gov.

Trina Cooke
Heber City Recorder

Posted in the Heber City Municipal Building located at 75 North Main, on the Heber City Website at www.heberut.gov, and on the Utah Public Notice Website at http://pmn.utah.gov. Published in the Park Record on May 23, 2026; distributed via text message and social media services.

ORDINANCE NO. 2026-13

AN ORDINANCE AMENDING EXHIBIT "A" (CONSOLIDATED FEE SCHEDULE) ASSOCIATED WITH TITLE 3.15 OF THE HEBER CITY MUNICIPAL CODE, REVENUE AND FINANCE

WHEREAS, the Heber City Council finds it necessary and appropriate to periodically review and update the Consolidated Fee Schedule to ensure that City fees are fair, current, and reflective of the actual cost of providing services, and to maintain fiscal sustainability and service quality;
WHEREAS, a public hearing was duly noticed and held on June 2, 2026, in accordance with Utah State law, to receive public comment on the proposed amendments to the Consolidated Fee Schedule;
BE IT ORDAINED by the City Council of Heber City, Utah, that the Consolidated Fee Schedule in Exhibit A associated with Title 3.15 of the Heber City Municipal Code is amended and adopted as, and pursuant to the attached Exhibit A.

This Ordinance shall take effect on August 1, 2026, unless otherwise specified in the Consolidated Fee Schedule.

PASSED, APPROVED and ORDERED TO BE PUBLISHED BY THE HEBER CITY COUNCIL this _____ day of _____ 2026.

	AYE	NAY
Council Member Yvon Barney	_____	_____
Council Member Aaron Cheatwood	_____	_____
Council Member Michael Johnston	_____	_____
Council Member Sid Ostergaard	_____	_____
Council Member Morgan Murdock	_____	_____

APPROVED:

_____
Mayor Heidi Franco

ATTEST:

_____ Date: _____
RECORDER

Exhibit A

Consolidated Fee Schedule
2026 – 2027 Fiscal Year

Administrative Fees.....2

Airport Fees.....3

Animal Services Fees.....4

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Planning Fees.....23

Police Fees.....24

Storm Water Fees 25

Water/Sewer Fees.....26

ADMINISTRATIVE FEES

SERVICE	FEE
Copies	
Black and White	$0.50 per sheet
Color	$0.75 per sheet
Garden Plots	
Large, 12'x24'	$50.00 ($10.00 refundable)
Medium, 12'x11'	$35.00 ($10.00 refundable)
Small, 12'x6'	$20.00 ($10.00 refundable)
Non-Resident Fee	$25.00
Returning User Fee	$10.00
Low-Income Discount	$10.00
Park Reservations*	$30.00 ($50.00 cleaning deposit required)
Return Check Fee	$50.00
Government Records Access & Management Act (GRAMA) Request	First 30 minutes provided at no cost. Thereafter, actual wage and benefit cost of the lowest-paid qualified City employee
Service Charge for Credit Cards	3% of amount charged on debit or credit

*A seven-day notice is required for all pavilion reservations, cancellations, and modifications with no exceptions. The $50.00 cleaning deposit is refundable upon condition that the pavilion is cleaned and free of damage after the event. An application fee is applied to all cancellations and modifications. Weather-related cancellations will be given a 50% refund depending on severity of weather (i.e., snow, heavy rain, hurricane force winds, etc.) and only after the date has taken place.

AIRPORT FEES

SERVICE	FEE
Aviation Trailers, i.e. Glider Trailers	$60.00 per year
Airport Apron Ground Lease – Lease Entered into After December 2024	$0.25 per sq. ft. with Annual Mountain Plains CPI Increase
Airport Hangar Ground Lease – Lease Entered Into After February 2015	$0.42 per sq. ft. with Annual Mountain Plains CPI Increase
Airport Hangar Rental Rate (City-Owned; Hangar Row)	$2,000.00 per month
Automotive Parking Fee (City-Owned Property)	$100.00 per vehicle per month
Commercial Aeronautical Permit Fee (Gross Sales <$100,000.00)	$500.00
Commercial Aeronautical Permit Fee (Gross Sales $100,000.00 to $1,000,000.00)	$100.00
Commercial Aeronautical Permit Fee (Gross Sales > $1,000,000.00)	$2,000.00
Commercial Non-Aeronautical Permit Fee (i.e. Rental Car/Transportation Network Company)	10% of Gross Income
Fuel Flowage Fee	$0.05 per gallon
Landing Fees (Transient Aircraft)* = to& > than 8,000 lbs. MTOW	$5.00.00 per 1,000 lbs. MTOW aircraft 8,000 lbs. or greater
Landing Fees (Transient Aircraft)* <8,000 lbs. MTOW	$5.00.00
Lease Origination/Transfer Fee – Lease	3% of the greater of assessed or sale value
Proximity Gate Access Card	$0.00 - Hanger owners - (Additional requested access $40.00 per year, i.e., employees) $40.00 per year - Subtenants & Non-Hanger Owners (i.e., glider pilots, balloon pilots, etc.) $20.00 - Short-term access (i.e., contractors, air attack crews, etc.) $60.00 - Lost/ replacement gate card (Registered based aircraft 50% off)
Special Service Operator Fee (Gross Sales)	1% Gross Income
Specialized Aviation Service Operator (SASO) Application Fee	$1,500.00 per operation
Fixed Based Operator (FBO) Application Fee	$2,000.00 per application
SASO and FBO Agreement Fee	$2,500 Admin Fee + Cost

*An aircraft that is not owned by a person having a lease of license agreement with the City is considered a transient aircraft.

Commented [LM1]: There's been discussion around increasing the GATE ACCESS Card fees

ANIMAL SERVICES FEES

SERVICE	FEE
License (Not Sterilized)	$46.00
License (Spayed or Neutered)	$20.00
Lifetime License (Not Sterilized)	$60.00
Lifetime License (Spayed or Neutered)	$40.00
Rabies Verification (Every 3 Years from Verification)	$5.00
Impound Fee	
1st Impound Fee	$30.00
2nd Impound Fee	$50.00
3rd Impound Fee	$80.00
Daily Charge	$10.00
Adoption Fee	
Dogs	$50.00
Sterilized Dogs	$30.00
Pups	$30.00
Cats	$30.00
Sterilized Cats	$15.00
Relinquish Fee	
Dogs	$50.00
Pups	$20.00
Cats	$25.00
Kittens	$10.00
Surrender Fee	
Dogs	$100.00
Unspayed or unneutered	Additional $175.00
Missing Required Vaccinations	Additional $70.00 ($120.00 if in heat or pregnant)
Cats	$100.00
Unspayed or Unneutered	Additional $35.00
Missing Required Vaccinations	Additional $45.00 ($95.00 if in heat or pregnant)
Livestock Pick Up	$25.00 per head
Livestock Impound	$30.00 per head/day

ANIMAL SERVICES FINES

VIOLATION	FINE
Cat at Large Ord. 6.19.020	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Dog at Large Ord. 6.19.010(A)	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Aggressive Dog at Large Ord. 6.18.090(D)	
1st violation	$200.00
2nd violation	$400.00
3rd violation	$600.00
Allow Vicious Animal at Large Ord. 6.18.090	Class B Misdemeanor
Dog Fighting Ord. 6.19.030(F)	Class B Misdemeanor
Public Nuisance Animals Ord. 6.18.040	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Cruelty to Animals Ord. 6.18.110	
1st violation	$500.00
2nd violation	Class B Misdemeanor
Abandonment of Animal Ord. 6.18.110(B)	$500.00
More Than 3 Animals Ord. 6.18.140	$300.00
Dog Attacks (Animal Offence) Ord. 6.19.010(C)	
1st violation	$500.00
2nd violation	$750.00
3rd violation	$1,000.00
Possession of Vicious Dog Ord. 6.19.010(D)	$300.00
Bringing Vicious Animal Ord. 6.18.100	$300.00
Possession of Vicious Animal Ord. 6.18.080	Class B Misdemeanor
Rabies Dog Vaccination Req. Ord. 6.26.010(A)	$100.00
Rabies Cat Vaccination Req. Ord. 6.26.020	$100.00

Dog License Regulations Ord. 6.21.010(E)	$100.00
Condition of Ownership Ord. 6.21.010	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Dog in Prohibited Place Ord. 6.21.010(B)	$300.00
Wild Dangerous/ Exotic Animal Ord. 6.18.030	$300.00
Guard Dog Notices Ord. 6.19.010(E)	$100.00
Feeding Stray Cats Ord. 6.25.030	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Kennel Permit Required Ord. 6.21.020	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Hobby Breeders Ord. 6.21.030	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Household Pet Daycare Ord. 6.21.025	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Livestock at Large/ Fencing Ord. 6.19.030(B)	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Hindering AC Officer Ord. 6.17.060	Class B Misdemeanor

BUILDING FEES

SERVICE	FEE
Plan Review	65% of building permit fee
Minimum For All Projects	$60.00
Manufactured Homes Inspection (Set Up, in Established Parks)	$100.00
Temporary Power Pedestal Inspection	$60.00
Electrical Service Change – Out Inspection	$60.00
Gas Line Inspection	$60.00
Other (Electrical, Building, Mechanical, and Plumbing)	$60.00
Third-Party Examination (Based on Request for Quick Review)	64% of building permit fee or actual cost of review
Plans reviewed by City Staff	25% of building permit fee
Reinspection Fee	$60.00
Miscellaneous Permits	$60.00
Building Permit*	The Building Fee valuation figures, as listed in the Building Valuation Data by ICC

Double fees for buildings or installation without Plan Review and Permit.

***The Building Fee valuation figures, as listed in the Building Safety Journal published by the ICC (International Code Council) and updated on a biannual basis are hereby adopted to be included in the Heber City Consolidated Fee Schedule and are subject to update on a biannual basis on the tables and formulas of the ICC.

BUSINESS LICENSE FEES

SERVICE	FEE
Processing Fee	$50.00
Home Occupation Processing Fee	$30.75 w/out impact (Must have approval letter from City)
Commercial License Processing Fee	$51.50
Duplicate/ Replacement License	$10.25
Automotive Service and Repair	$128.50
Assisted Living/ Care Centers	$66.75/ $4.25 per unit
Banks	$257.00
Big Box	$2,056.00
Convenience Store	
With Gas – Open 24 hours	$822.50
With Gas – Not open 24 hours	$514.00
Department Store	$514.00
Entertainment	$113.00
Heber Market on Main	
Seasonal Vendor (12-Weeks)	
Season Craft/ General Vendor Fee with Electricity – Premium	$400.00
Season Craft/ General Vendor Fee without Electricity – Regular	$350.00
Farmers Market Vendor (Traditional Unprepared Farm Fresh Food)	$0.00
Seasonal Education Vendor Fee Not for Profit	$250.00
Seasonal Education Vendor Fee for Profit	$350.00
No-Show Penalty/ Cancellation Fee	$100.00
Beer Garden	$600.00
Clean-Up Fee per Day	$100.00
Weekly Vendors	
Weekly Food Trucks with Electricity – Premium	$55.00
Weekly Food Trucks without Electricity – Regular	$40.00
Weekly Craft/ General Vendor with Electricity – Premium	$55.00

Commented [LM2]: Emailed Rachel Kahler on 05/14/2026

Commented [SN3R2]: Candace should have these.

Weekly Craft/ General Vendor without Electricity – Regular	$40.00
Farmers Market Vendor (Traditional Unprepared Farm Fresh Food)	$0.00
Weekly Education Vendor Fee Not for Profit	$35.00
Weekly Education Vendor Fee for Profit	$55.00
Clean-Up Fee per Day	$100.00
Film Events	
Large	$257.00
Small	$154.25
Student	$0.00
Fireworks	$303.25
Food Truck/Motorized Street Vendor (Separate from HMOM)	$123.25
General Services – (Business & Professional, Personal, Construction & Contracted Services	$66.75
Home Occupation	$51.50

Home Occupation No Impact (Must have approval letter from City) - Shall be entirely conducted in the home - Shall not involve retail sales - Does not require signage - Does not involve customers or employees visiting the home - There will be no evidence from the exterior of the home that a business is being conducted - No specialty vehicles associated with the business such as dump trucks, tractors, skid steers, tractor trailers, boom trucks, tank trucks, backhoes, pump trucks, or other similar vehicles will be parked or stored at the home	$0.00
Large Grocery	
With Gas	$2,056.00
Without Gas	$1,028.00
Hotel/Motel	$66.75 + $9.25 per room
Extended Stay Motel	$66.75 + $53.50 per room
Manufacturing	$66.75
Mobile Home Park	$66.75 + $59.50 per unit

Motorized Street Vendors	$123.25
Nightly Rental	$66.75 plus $13.25 per room
Non-Depository Credit intermediation/ Pawn Brokers	$231.25
Non-Profit Special Events	$25.75
Restaurants	$349.50
Seasonal	$97.75
Sexually Oriented Business	$925.25
Social Club	$308.50
Special Events	
Large	$334.00
Small	$36.00
Specialty Foods	$102.75
Sales/ Rental/ Wholesale	$113.00
Solicitor	$154.25
Solicitor Replacement Badge	$15.50
Storage Units	$66.75
Tobacco Store	$1,028.00
Temporary	$46.25 + $10.25 per day
Transportation	$66.75
Special Event (Per Vendor)	$25.75
Class A Restaurant Alcohol License	$267.25
Class B Package Alcohol License	$102.75
Class C Tavern Alcohol License	$267.25
Class D Bowling Alley Alcohol License	$267.25
Temporary/ Single Event Alcohol License	$51.50
1st Late Fee Assessed February 1	25% of business license fee Business license process is required in addition to paying for a new license
2nd Late Fee Assessed March 1	50% of business license fee. Business license process is required in addition to paying for a new license.
Administrative Citation May be Issued on April 5	Applicable charge as defined on Code Enforcement citation

Note: If a business license fits within 2 or more fee categories, the total business license fee will be the sum of each fee category.

CEMETERY FEES

SERVICE	FEE
Grave Purchase "Value"	
Resident	$1,200.00
Non-Resident	$1,800.00
Grave Purchase "Standard"	
Resident	$1,400.00
Non-Resident	$2,600.00
Grave Purchase "Premium"	
Resident	$1,800.00
Non-Resident	$3,400.00
Infant Grave – Infant Section Only	
Resident	$175.00
Non-Resident	$300.00
Opening/ Closing (Weekdays)	
Resident	$650.00
Non-Resident	$850.00
Opening/ Closing (Weekends)	
Resident	$1,100.00
Non-Resident	$1,300.00
Infant/Cremains Opening/ Closing (Weekdays)	
Resident	$350.00
Non-Resident	$450.00
Infant/ Cremains Opening/ Closing (Weekends)	
Resident	$800.00
Non-Resident	$900.00
Disinterment	
Full Body	$2,500.00
Infant	$1,000.00
Cremains	$500.00
Niche	$500.00
Transfer Fee – Per Lot	$200.00
Overtime Fee – Per ½ hour **Any Service Arriving at 3:30 PM or Later = OT Charge**	$100.00

Quick Claim Deeds (Per Transfer)	$200.00
Headstone Inspection Fee	$25.00
Headstone Removal Fee*	
Flat or Wedge	$200.00
Upright	$400.00
Cremation Niche	
Rows A and B (top two rows) Resident	$1,630.00
Rows A and B (top two rows) Non-Resident	$2,660.00
Rows C and D (bottom two rows) Resident	$1,300.00
Rows C and D (bottom two rows) Non-Resident	$2,115.00
Special Engraving, Design, or Emblem	
Single Niche	$400.00
Companion Niche	$600.00
Opening & Closing (Weekdays)	
Resident	$200.00
Non-resident	$300.00
Opening & Closing (Weekends)	
Resident	$450.00
Non-Resident	$550.00
Columbarium Niche (Near the Admin. Bldg.)	See online Fee Schedule for current pricing

*Large headstones may require removal through an outside contracting company. The fee will be determined by the contractor. Heber City and its employees will not be responsible for damage to headstones during the removal of headstones or the opening of graves.

Cemetery Information

- Niche Urns must be 10/5"x10.5" or smaller.
- Cremations must be in a plastic, metal, or concrete container.
- No burials may be scheduled Friday - Tuesday of Memorial Day Weekend.
- No Sunday burials, unless there is a cultural or religious reason to do so.
- No double burials are allowed unless one or both are cremation - only one headstone is allowed.
- Graveside services have a 90-minute time limit, after which an overtime fee will apply.
- All services must be completed by 4:00 PM to allow staff to close the grave.
- Upright headstones are only allowed in specific areas.
- Flat headstones must be flush with the ground; wedge stones are considered upright.
- Only those currently living within the Heber City limits are considered City residents.
- Those living in Wasatch County are considered non-residents, and must pay the
- non-resident rates.
- Headstone Dimensions:
  Single grave 48"x32"
  Double stone 96"x32”

ELECTIONS FEES

SERVICE	FEE
Declaration of Candidacy	$50.00

ENGINEERING FEES

SERVICE	FEE
Subdivision Inspection Fee Initial Deposit*	5% to $200,000.00
	2% next $800,000.00
	1% above $1,000,000.00
Standard Specification	$20.00

*If the inspection costs exceed initial fee deposits listed above, an additional deposit will be required. Applicant is responsible for all inspection fees required for their project.

PUBLIC WORKS SERVICE FEES

SERVICE	FEE
Excavation Fee	
Paved Surfaces > 25 sq. ft.	$300.00 + $1.50 per sq. ft. for roads 0-3 years old
Paved Surfaces > 25 sq. ft.	$300.00 + $0.25 per sq. ft. for roads over 3 years old
Unpaved Surfaces (Lengths ≤ to 100 ft)	$50.00
Paved Surfaces < 25 sq. ft.	$100.00
Specialty Sign: Deaf or Blind Child in Area, etc.	$500.00
Investigative Water Sample Fee	$25.00
Banners	
Application	$25.00
Installation and Removal	$300.00
Snow Bird Policy Fees	
Base Rates	All Utility Base Rates are charged on residences requesting service shut off without change of account holder
Shut-off Service/Turn Service Back On	$50.00 per time water is turned off or reconnected
Damaged Meter Fee	The full cost of the meter up to $250.00, material cost and wage cost for replacement based on current rates.
Theft of Service/ Accessing Meter Vault Fine	Up to $500.00 plus the cost of services.
Fire Hydrant Meter Permit	
Deposit	$4,000.00
Daily Rental Fee	$10.00
Water Usage Charge	$0.025 per gallon
Mandatory Minimum Usage Fee	$25.00
Fats, Oils and Grease (FOG) Inspection Fees	
Three-month Compliance Inspection	$100.00
One-Month Compliance Inspection	$100.00
Weekly Compliance Inspection	$100.00
FOGS Sampling Fees	
BOD (Biological Oxygen Demand)	$90.00
O&G (Oil and Grease)	$100.00

TSS (Total Suspended Solids)	$39.00
COD (Chemical Oxygen Demand)	$32.00
After Hours Inspection	$300.00 for each call out
Blockage Caused by FSE (Food Service Establishments)	
1st Blockage	$1,000.00
2nd Blockage	$1,500.00
3rd Blockage	$2,000.00
Additional Violations	Increased by $500.00 every additional violation
Violation of FOGS Ordinance 13.08	
1st Violation	Written warning
2nd Violation	$1,000.00
3rd Violation	$1,500.00
Additional Violations	Increased by $500.00 every additional violation
After Hours Inspection	$300.00 for each call out (based on a 2-hour minimum at $150.00 per hour)
Public Improvement Inspections	
Inspection Delay Charge*	$75.00
Reinspection Fee**	$75.00
2nd Reinspection Fee**	$100.00
3rd Reinspection Fee**	$125.00

*Cover the cost of a scheduled inspection for an unprepared site.

**Cover the cost of an additional inspection in the event of a failed reinspection.

FRANCHISE TAX

SERVICE	FEE
Cable TV	5%
Telephone	4%
Municipal Energy Tax	6%
Transportation Tax	0.30%
Transient Room Tax	1%

IMPACT FEES

SERVICE	FEE
Heber City Parks and Trail (Residential Per Unit) – Applies City-Wide	$6,727.00 Single Family Dwellings/Residential-ERU $3,536.00 Multi-Family Dwellings (Including mobile homes)
Heber City Streets and Transportation (Residential Per Unit)	
Single-Family	$5,640.00
Multi-Family	$3,193.00
Non-Residential Per Trip	$678.00
Heber City Culinary Water	
Residential (ERU) Per Unit	$4,199.00
Fee Per .75" Meter (30 gpm max flow)	$4,199.00
Fee Per 1.0" Meter (50 gpm max flow)	$7,464.00
Fee Per 1.5" Meter (100 gpm max flow)	$16,794.00
Fee Per 2.0" Meter (160 gpm max flow)	$29,857.00
Fee Per 3.0" Meter (350 gpm max flow)	$67,178.00
Fee Per 4.0" Meter (1,000 gpm max flow)	$119,427.00
Heber City Pressurized Irrigation	
Residential Per Unit	$1,177.00
Non-Residential Per Irrigated Square Foot	$0.17
Heber City Sewer (Per ERU)	$1,562.00
Heber City Public Safety – Applies City-Wide	
Single-Family Residential Impact Fee (Per Unit)	$263.00
Multi-Family Residential Impact Fee (Per Unit)	$220.00
Non-Residential Impact Fee (Per Square Foot)	$0.58
Sawmill Development	
2A, 2B, 3,6,8 & 9 Special Road Assessment	$6,182.00
North Village Facility	
North Village Streets	
Single-Family Dwelling Unit	$3,623.00
Non-Residential Trip Generated	$384.00

North Village Storm Drain (Per ERU)	
Everything	$4,769.00

Impact Fees are adjusted January 1st of each year based on prior year, December, ENR 20 City Index.
In addition to Heber City's impact fees, the City also collects a $4,170.00 per ERU sewer impact fee for the Heber Valley Special Service District.

PRESSURIZED IRRIGATION FEES

SERVICE	MONTHLY FEE
Secondary Irrigation – By Lot Size	
< 6,000 sq. ft.	$12.76
6,000 – 9,999 sq. ft.	$21.26
10,000 – 14,999 sq. ft.	$31.83
15,000 – 19,999 sq. ft.	$42.40
> 20,000 per IK sq. ft.	$53.09
Non-Residential	$0.01 per sq. ft.
SERVICE	**FEE**
Ditch Irrigation	$22.07 per share with $10.00 minimum
Water Meter Transponder and Installation	
.75” Meter with Transmitter	$599.37
1.0” Meter with Transmitter	$699.78
1.5” Meter with Transmitter	$1,662.49
2.0” Meter with Transmitter	$3,141.17
3.0” Meter with Transmitter	$3,709.75
4.0” Meter with Transmitter	$5,666.12
5.0” Meter with Transmitter	$8,164.68

PLANNING FEES

APPLICATION TYPE	ADMINISTRATIVE FEE	ESCROW*
Annexations	$7,000.00	$3,200.00
MDA Amendments	$2,000.00	$600.00
General Plan, Zoning Map Amendment, Zoning Test Amendment, General Plan Amendment, New Zone Adoption, New MDA	$3,000.00	$2,300.00
Zone Map Amendment to Central Heber Overlay Zone (CHOZ), ¾ acre or less	$1,500.00	
Road Dedication or Vacation (Not Including Infrastructure Review)	$1,000.00	
Concept (Commercial/ Multi-Family)	$2,500.00	
Site Plan (Commercial/ Multi-Family)	$7,500.00	
CHOZ Commercial/ Multi-family concept, CHOZ Site Plan Commercial/ Multi-family, ¾ acre or less	$1,500.00	
Subdivision Concept	$2,000.00	
Subdivision Preliminary, RV Park Preliminary	$7,500.00 + $75.00 per Unit	
Subdivision Final, RV Park Final	$7,500.00 + $100.00/Unit	
Subdivision Final Plan Renewal	$2,000.00	
Small Subdivision	$3,500.00	
Small Subdivision in CHOZ or Condo Plat of Existing Multi-Family Dwelling in CHOZ	$1,500 plus $50 per unit	
Conditional Use	$1,000.00	
Telecommunication	$1,500.00	
Plat Amendment	$2,000.00	
Lot Line Adjustment	$750.00	
Pre-Development Meeting (App Will Not Vest a Project)	No fee	
Zoning Certification of Administrative Interpretation	$75.00	
Sign	$100.00	
Appeal Authority Application	$750.00	
PID Letter of Intent	$2,000.00	
PID Governing Documents	$5,000.00	
Site Plan Amendment (Minor)	$2,000.00	
Site Plan Amendment (Major)	$4,000.00	

Site Plan with Conditional Use Permit (CUP)	$8,500.00	
Comment Review Meeting	No fee	

*Escrow is intended to cover costs for reviewing an application and will increase if application review costs increase.

Note: If processing, review, or special report review costs exceed application fees; applicant will be required to pay additional costs.

POLICE FEES

SERVICE	FEE
Finger Printing	$35.00; $70.00 for out-of-County residents
False Alarms	
First Two	$0.00
Third	$50.00
Fourth	$75.00
Fifth Through Ninth	$100.00
Tenth and All Subsequent	$200.00
Police Reports/ Government Records Access & Management Act (GRAMA) Request	
Up to 10 pages	$10.00
11 Pages and Over	$10.00 + $0. 50 per page after 10 pages
Fax	
First Page	$2.00
Each Additional Page	$1.00
Copies	
Black and White	$0.50 per sheet
Color	$0.75 per sheet
Notarized Copy	$5.00 per signature
Multimedia Copying Fee	$30.00
Body Camera/ Car Camera Fee	First 15 minutes provided at no cost. Thereafter, actual wage and benefit cost of the lowest-paid qualified Records Officer
Body Camera/ Car Camera Fee Redacted	$30.00 Base fee plus actual wage & benefit cost
Sex Offender Registry	$25.00 annual check; $150 first time registry
Special Events Fee	$100.00

STORM WATER FEES

SERVICE	MONTHLY FEE
Single-Family Unit	$19.15
Multi-Family ≤ 1 Acre	$19.15
Multi-Family > 1 Acre	$14.90
Non-Residential ≤ 1 Acre	$19.15
Non-Residential > 1 Acre	$14.90
Maximum Fee for Any Parcel	$158.58*

*Parcels shall not be combined.

WATER/SEWER FEES

SERVICE	MONTHLY FEES
Residential Water – Base Fee	$38.50
Residential Water – Price Per Thousand Gallons	
0 – 7,000	$1.29
7,001 – 12,000	$1.60
12,001 – 19,000	$2.33
19,001 – 35,000	$2.90
35,001 – 70,000	$3.36
70,001 – 999,999,999	$3.94
Commercial Water – Base Fee	
.75” Meter	$36.41
1.0” Meter	$36.41
1.5” Meter	$167.51
2.0” Meter	$262.21
3.0” Meter	$607.77
4.0” Meter	$1,022.01
6.0” Meter	$1,884.56
8.0” Meter	$3,280.96
10.0” Meter	$3,270.00
Commercial Water – Price Per Thousand Gallons	
0 – 7,000	$1.44
7,001 – 999,999,999	$3.05
Sewer	
Base Rate	$38.49
HVSSD Fee	Please refer to Heber Valley Special Service District for current rates and charges.
Volume Charge	$2.19 per thousand gallons
SERVICE	**FEES**
Late Payment Penalty	5% or $5.00, whichever is greater
Change of Ownership Fee	$25.00
Reconnections	
First Time	$50.00
Subsequent fee if disconnected within 12 months	$100.00
Water Meter/ Transporter and Installation	
.75” Meter with Transmitter	$599.37
1.0” Meter with Transmitter	$699.78
1.5” Meter with Transmitter	$1,662.49

Commented [SN4]: All Water fees need to go up 12%
All Sewer fees need to go up 8%

I don't think anything after Volume charge does up.

2.0” Meter with Transmitter	$3,141.17
3.0” Meter with Transmitter	$3,709.75
4.0” Meter with Transmitter	$5,666.12
6.0” Meter With Transmitter	$8,164.68
Water Meter Set Delay Charge*	$75.00

All fees are one and a half times for non-resident accounts.

Note: If a water meter will be necked down from a 2" to a 1 1/2" or a 1 1/2" down to a 1", an additional fee of $191.84 will be added.

*Cover the cost of a scheduled service for an unprepared site.

Exhibit A

Consolidated Fee Schedule
2026 – 2027 Fiscal Year

Administrative Fees.....2

Airport Fees.....3

Animal Services Fees.....4

Building Fees.....7

Business License Fees.....8

Cemetery Fees.....11

Elections Fees.....15

Engineering Fees.....16

Public Works Service Fees.....17

Franchise Tax.....19

Impact Fees.....20

Pressurized Irrigation Fees.....22

Planning Fees.....23

Police Fees.....24

Storm Water Fees 25

Water/Sewer Fees.....26

ADMINISTRATIVE FEES

SERVICE	FEE
Copies	
Black and White	$0.~~20~~ 50 per sheet
Color	$0.~~30~~ 75 per sheet
Garden Plots	
Large, 12'x24'	$50.00 ($10.00 refundable)
Medium, 12'x11'	$35.00 ($10.00 refundable)
Small, 12'x6'	$20.00 ($10.00 refundable)
Non-Resident Fee	$25.00
Returning User Fee	$10.00
Low-Income Discount	$10.00
Park Reservations*	$30.00 ($50.00 cleaning deposit required)
Return Check Fee	$~~20.00~~50.00
~~**Title 17**~~	~~$5.00~~
~~**Title 18**~~	~~$10.00~~
Government Records Access & Management Act (GRAMA) Request	~~Actual Wage & Benefit Costs~~First 30 minutes provided at no cost. Thereafter, actual wage and benefit cost of the lowest-paid qualified City employee
Service Charge for Credit Cards	3% of amount charged on debit or credit
~~**Convenience Fee**~~	~~$3.00 per transaction taken over the phone~~

*A seven-day notice is required for all pavilion reservations, cancellations, and modifications with no exceptions. The $50.00 cleaning deposit is refundable upon condition that the pavilion is cleaned and free of damage after the event. An application fee is applied to all cancellations and modifications. Weather-related cancellations will be given a 50% refund depending on severity of weather (i.e., snow, heavy rain, hurricane force winds, etc.) and only after the date has taken place.

AIRPORT FEES

SERVICE	FEE
Aviation Trailers, i.e. Glider Trailers	$60.00 per year
Airport Apron Ground Lease – Lease Entered into After December 2024	$0.25 per sq. ft. with Annual Mountain Plains CPI Increase
Airport Hangar Ground Lease – Lease Entered Into After February 2015	$0.42 per sq. ft. with Annual Mountain Plains CPI Increase
Airport Hangar Rental Rate (City-Owned; Hangar Row)	$2,000.00 per month
Automotive Parking Fee (City-Owned Property)	$100.00 per vehicle per month
Commercial Aeronautical Permit Fee (Gross Sales <$100,000.00)	$500.00
Commercial Aeronautical Permit Fee (Gross Sales $100,000.00 to $1,000,000.00)	$100.00
Commercial Aeronautical Permit Fee (Gross Sales > $1,000,000.00)	$2,000.00
Commercial Non-Aeronautical Permit Fee (i.e. Rental Car/Transportation Network Company)	10% of Gross Income
Fuel Flowage Fee	$0.05 per gallon
Landing Fees (Transient Aircraft)* = to& > than 8,000 lbs. MTOW	$5.00.00 per 1,000 lbs. MTOW aircraft 8,000 lbs. or greater
Landing Fees (Transient Aircraft)* <8,000 lbs. MTOW	$5.00.00
Lease Origination/Transfer Fee – Lease	3% of the greater of assessed or sale value
Proximity Gate Access Card	$0.00 - Hanger owners - (Additional requested access $40.00 per year, i.e., employees) $40.00 per year - Subtenants & Non-Hanger Owners (i.e., glider pilots, balloon pilots, etc.) $20.00 - Short-term access (i.e., contractors, air attack crews, etc.) $60.00 - Lost/ replacement gate card (Registered based aircraft 50% off)
Special Service Operator Fee (Gross Sales)	1% Gross Income
Specialized Aviation Service Operator (SASO) Application Fee	$1,500.00 per operation
Fixed Based Operator (FBO) Application Fee	$2,000.00 per application
SASO and FBO Agreement Fee	$2,500 Admin Fee + Cost

*An aircraft that is not owned by a person having a lease of license agreement with the City is considered a transient aircraft.

Commented [LM1]: There's been discussion around increasing the GATE ACCESS Card fees

ANIMAL SERVICES FEES

SERVICE	FEE
License (Not Sterilized)	$46.00
License (Spayed or Neutered)	$20.00
Lifetime License (Not Sterilized)	$60.00
Lifetime License (Spayed or Neutered)	$40.00
Rabies Verification (Every 3 Years from Verification)	$5.00
Impound Fee	
1st Impound Fee	$30.00
2nd Impound Fee	$50.00
3rd Impound Fee	$80.00
Daily Charge	$10.00
Adoption Fee	
Dogs	$50.00
Sterilized Dogs	$30.00
Pups	$30.00
Cats	$30.00
Sterilized Cats	$15.00
Relinquish Fee	
Dogs	$50.00
Pups	$20.00
Cats	$25.00
Kittens	$10.00
Surrender Fee	
Dogs	$100.00
Unspayed or unneutered	Additional $175.00
Missing required vaccinations	Additional $70.00 ($120.00 if in heat or pregnant)
Cats	$100.00
Unspayed or unneutered	Additional $35.00
Missing required vaccinations	Additional $45.00 ($95.00 if in heat or pregnant)
Livestock Pick Up	$25.00 per head
Livestock Impound	$30.00 per head/day

ANIMAL SERVICES FINES

VIOLATION	FINE
Cat at Large Ord. 6.19.020	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Dog at Large Ord. 6.19.010(A)	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Aggressive Dog at Large Ord. 6.18.090(D)	
1st violation	$200.00
2nd violation	$400.00
3rd violation	$600.00
Allow Vicious Animal at Large Ord. 6.18.090	Class B Misdemeanor
Dog Fighting Ord. 6.19.030(F)	Class B Misdemeanor
Public Nuisance Animals Ord. 6.18.040	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Cruelty to Animals Ord. 6.18.110	
1st violation	$500.00
2nd violation	Class B Misdemeanor
Abandonment of Animal Ord. 6.18.110(B)	$500.00
More Than 3 Animals Ord. 6.18.140	$300.00
Dog Attacks (Animal Offence) Ord. 6.19.010(C)	
1st violation	$500.00
2nd violation	$750.00
3rd violation	$1,000.00
Possession of Vicious Dog Ord. 6.19.010(D)	$300.00
Bringing Vicious Animal Ord. 6.18.100	$300.00
Possession of Vicious Animal Ord. 6.18.080	Class B Misdemeanor
Rabies Dog Vaccination Req. Ord. 6.26.010(A)	$100.00
Rabies Cat Vaccination Req. Ord. 6.26.020	$100.00

Dog License Regulations Ord. 6.21.010(E)	$100.00
Condition of Ownership Ord. 6.21.010	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Dog in Prohibited Place Ord. 6.21.010(B)	$300.00
Wild Dangerous/ Exotic Animal Ord. 6.18.030	$300.00
Guard Dog Notices Ord. 6.19.010(E)	$100.00
Feeding Stray Cats Ord. 6.25.030	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Kennel Permit Required Ord. 6.21.020	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Hobby Breeders Ord. 6.21.030	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Household Pet Daycare Ord. 6.21.025	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Livestock at Large/ Fencing Ord. 6.19.030(B)	
1st violation	$100.00
2nd violation	$200.00
3rd violation	$300.00
Hindering AC Officer Ord. 6.17.060	Class B Misdemeanor

BUILDING FEES

SERVICE	FEE
Plan Review	~~40% of building permit fee on Commercial; 25% of building permit fee on residential.~~65% of building permit fee
Minimum For All Projects	$60.00
Manufactured Homes Inspection (Set Up, in Established Parks)	$100.00
Temporary Power Pedestal Inspection	$60.00
Electrical Service Change – Out Inspection	$60.00
Gas Line Inspection	$60.00
Other (Electrical, Building, Mechanical, and Plumbing)	$60.00
~~**Plan Review**~~	
~~Decks and Basements~~	~~25% of building permit fee~~
~~Detached garage/buildings under 1,000 sq. ft.~~	~~25% of building permit fee~~
~~Detached garage/buildings over 1,000 sq. ft.~~	~~25% of building permit fee~~
Third-Party Examination (Based on Request for Quick Review)	64% of building permit fee or actual cost of review
Plans reviewed by City Staff	25% of building permit fee
Reinspection Fee	$60.00
Miscellaneous Permits	$60.00
Building Permit*	The Building Fee valuation figures, as listed in the Building Valuation Data by ICC

Double fees for buildings or installation without Plan Review and Permit.

***The Building Fee valuation figures, as listed in the Building Safety Journal published by the ICC (International Code Council) and updated on a biannual basis are hereby adopted to be included in the Heber City Consolidated Fee Schedule and are subject to update on a biannual basis on the tables and formulas of the ICC.

BUSINESS LICENSE FEES

SERVICE	FEE
Processing Fee	$50.00
Home Occupation Processing Fee	$30.75 w/out impact (Must have approval letter from City)
Commercial License Processing Fee	$51.50
Duplicate/ Replacement License	$10.25
Automotive Service and Repair	$128.50
Assisted Living/ Care Centers	$66.75/ $4.25 per unit
Banks	$257.00
Big Box	$2,056.00
Convenience Store	
With Gas – Open 24 hours	$822.50
With Gas – Not open 24 hours	$514.00
Department Store	$514.00
Entertainment	$113.00
Heber Market on Main	
Seasonal Vendor (12-Weeks)	
Season Craft/ General Vendor Fee with Electricity – Premium	$400.00
Season Craft/ General Vendor Fee without Electricity – Regular	$350.00
Farmers Market Vendor (Traditional Unprepared Farm Fresh Food)	$0.00
Seasonal Education Vendor Fee Not for Profit	~~$154.25~~250.00
Seasonal Education Vendor Fee for Profit	$350.00
No-Show Penalty/ Cancellation Fee	$100.00
Beer Garden	$600.00
Clean-Up Fee per Day	$100.00
Weekly Vendors	
Weekly Food Trucks with Electricity – Premium	$55.00
Weekly Food Trucks without Electricity – Regular	$40.00
Weekly Craft/ General Vendor with Electricity – Premium	$55.00

Commented [LM2]: Emailed Rachel Kahler on 05/14/2026

Commented [SN3R2]: Candace should have these.

Weekly Craft/ General Vendor without Electricity – Regular	$40.00
Farmers Market Vendor (Traditional Unprepared Farm Fresh Food)	$0.00
Weekly Education Vendor Fee Not for Profit	$35.00
Weekly Education Vendor Fee for Profit	$55.00
Clean-Up Fee per Day	$100.00
Film Events	
Large	$257.00
Small	$154.25
Student	$0.00
Fireworks	$303.25
Food Truck/Motorized Street Vendor (Separate from HMOM)	$123.25
General Services – (Business & Professional, Personal, Construction & Contracted Services	$66.75
Home Occupation	$51.50

Home Occupation No Impact (Must have approval letter from City) - Shall be entirely conducted in the home - Shall not involve retail sales - Does not require signage - Does not involve customers or employees visiting the home - There will be no evidence from the exterior of the home that a business is being conducted - No specialty vehicles associated with the business such as dump trucks, tractors, skid steers, tractor trailers, boom trucks, tank trucks, backhoes, pump trucks, or other similar vehicles will be parked or stored at the home	$0.00
Large Grocery	
With Gas	$2,056.00
Without Gas	$1,028.00
Hotel/Motel	$66.75 + $9.25 per room
Extended Stay Motel	$66.75 + $53.50 per room
Manufacturing	$66.75
Mobile Home Park	$66.75 + $59.50 per unit

Motorized Street Vendors	$123.25
Nightly Rental	$66.75 plus $13.25 per room
Non-Depository Credit intermediation/ Pawn Brokers	$231.25
Non-Profit Special Events	$25.75
Restaurants	$349.50
Seasonal	$97.75
Sexually Oriented Business	$925.25
Social Club	$308.50
Special Events	
Large	$334.00
Small	$36.00
Specialty Foods	$102.75
Sales/ Rental/ Wholesale	$113.00
Solicitor	$154.25
Solicitor Replacement Badge	$15.50
Storage Units	$66.75
Tobacco Store	$1,028.00
Temporary	$46.25 + $10.25 per day
Transportation	$66.75
Special Event (Per Vendor)	$25.75
Class A Restaurant Alcohol License	$267.25
Class B Package Alcohol License	$102.75
Class C Tavern Alcohol License	$267.25
Class D Bowling Alley Alcohol License	$267.25
Temporary/ Single Event Alcohol License	$51.50
1st Late Fee Assessed February 1	25% of business license fee Business license process is required in addition to paying for a new license
2nd Late Fee Assessed March 1	50% of business license fee. Business license process is required in addition to paying for a new license.
Administrative Citation may be issued on April 5	Applicable charge as defined on Code Enforcement citation

Note: If a business license fits within 2 or more fee categories, the total business license fee will be the sum of each fee category.

CEMETERY FEES

SERVICE	FEE
Grave Purchase "Value"	
Resident	$1,200.00
Non-Resident	$1,800.00
Grave Purchase "Standard"	
Resident	$1,400.00
Non-Resident	$2,600.00
Grave Purchase "Premium"	
Resident	$1,800.00
Non-Resident	$3,400.00
Infant Grave – Infant Section Only	
Resident	$175.00
Non-Resident	$300.00
Opening/ Closing (Weekdays)	
Resident	$650.00
Non-Resident	$850.00
Opening/ Closing (Weekends)	
Resident	$1,100.00
Non-Resident	$1,300.00
Infant/Cremains Opening/ Closing (Weekdays)	
Resident	$350.00
Non-Resident	$450.00
Infant/ Cremains Opening/ Closing (Weekends)	
Resident	$800.00
Non-Resident	$900.00
Disinterment	
Full Body	$2,500.00
Infant	$1,000.00
Cremains	$500.00
Niche	$500.00
Transfer Fee – Per Lot	$200.00
Overtime Fee – Per ½ hour	$100.00

Any service arriving at 3:30 PM or later = OT charge	
Quick Claim Deeds (per transfer)	$200.00
Headstone Inspection Fee	$25.00
Headstone Removal Fee*	
Flat or Wedge	$200.00
Upright	$400.00
Cremation Niche	
Rows A & B (top two rows) Resident	$1,630.00
Rows A & B (top two rows) Non-Resident	$2,660.00
Rows C & D (bottom two rows) Resident	$1,300.00
Rows C & D (bottom two rows) Non-Resident	$2,115.00
Special Engraving, Design, or Emblem	
Single Niche	$400.00
Companion Niche	$600.00
Opening & Closing (Weekdays)	
Resident	$200.00
Non-resident	$300.00
Opening & Closing (Weekends)	
Resident	$450.00
Non-Resident	$550.00
Columbarium Niche (Near the Admin. Bldg.)	See online Fee Schedule for current pricing

*Large headstones may require removal through an outside contracting company. The fee will be determined by the contractor. Heber City and its employees will not be responsible for damage to headstones during the removal of headstones or the opening of graves.

Cemetery Information

- Niche Urns must be 10/5"x10.5" or smaller.
- Cremations must be in a plastic, metal, or concrete container.
- No burials may be scheduled Friday - Tuesday of Memorial Day Weekend.
- No Sunday burials, unless there is a cultural or religious reason to do so.
- No double burials are allowed unless one or both are cremation - only one headstone is allowed.
- Graveside services have a 90-minute time limit, after which an overtime fee will apply.
- All services must be completed by 4:00 PM to allow staff to close the grave.
- Upright headstones are only allowed in specific areas.
- Flat headstones must be flush with the ground; wedge stones are considered upright.
- Only those currently living within the Heber City limits are considered City residents.
- Those living in Wasatch County are considered non-residents, and must pay the
- non-resident rates.
- Headstone Dimensions:
- Single grave 48"x32"
- Double stone 96"x32”

ELECTIONS FEES

SERVICE	FEE
Declaration of Candidacy	$50.00

ENGINEERING FEES

SERVICE	FEE
Subdivision Inspection Fee Initial Deposit*	5% to $200,000.00
	2% next $800,000.00
	1% above $1,000,000.00
Standard Specification	$20.00

*If the inspection costs exceed initial fee deposits listed above, an additional deposit will be required. Applicant is responsible for all inspection fees required for their project.

PUBLIC WORKS SERVICE FEES

SERVICE	FEE
Excavation Fee	
Paved Surfaces > 25 sq. ft.	$300.00 + $1.50 per sq. ft. for roads 0-3 years old
Paved Surfaces > 25 sq. ft.	$300.00 + $0.25 per sq. ft. for roads over 3 years old
Unpaved Surfaces (Lengths ≤~~less than or equal~~ to 100 ft)	$50.00
Paved Surfaces < 25 sq. ft.	$100.00
Specialty Sign: Deaf or Blind Child in Area, etc.	$500.00
Investigative Water Sample Fee	$25.00
Banners	
Application	$25.00
Installation and Removal	$300.00
Snow Bird Policy Fees	
Base Rates	All Utility Base Rates are charged on residences requesting service shut off without change of account holder
Shut-off Service/Turn Service Back On	$50.00 per time water is turned off or reconnected
Damaged Meter Fee	The full cost of the meter up to $250.00, material cost and wage cost for replacement based on current rates.
Theft of Service/ Accessing Meter Vault Fine	Up to $500.00 plus the cost of services.
Fire Hydrant Meter Permit	
Deposit	$4,000.00
Daily Rental Fee	$10.00
Water Usage Charge	$0.025 per gallon
Mandatory Minimum Usage Fee	$25.00
Fats, Oils and Grease (FOG) Inspection Fees	
Three-month Compliance Inspection	$100.00
One-Month Compliance Inspection	$100.00
Weekly Compliance Inspection	$100.00
FOGS Sampling Fees	
BOD (Biological Oxygen Demand)	$90.00
O&G (Oil and Grease)	$100.00

TSS (Total Suspended Solids)	$39.00
COD (Chemical Oxygen Demand)	$32.00
After Hours Inspection	$300.00 for each call out
Blockage Caused by FSE (Food Service Establishments)	
1st Blockage	$1,000.00
2nd Blockage	$1,500.00
3rd Blockage	$2,000.00
Additional Violations	Increased by $500.00 every additional violation
Violation of FOGS Ordinance 13.08	
1st Violation	Written warning
2nd Violation	$1,000.00
3rd Violation	$1,500.00
Additional Violations	Increased by $500.00 every additional violation
After Hours Inspection	$300.00 for each call out (based on a 2-hour minimum at $150.00 per hour)~~$150.00~~300.00 ~~Each call out plus $150.00 for every hour~~
Public Improvement Inspections	
Inspection Delay Charge*	$75.00
Reinspection Fee**	$75.00
2nd Reinspection Fee**	$~~75~~100.00
3rd Reinspection Fee**	$~~7~~125.00

*Cover the cost of a scheduled inspection for an unprepared site.

**Cover the cost of an additional inspection in the event of a failed reinspection.

FRANCHISE TAX

SERVICE	FEE
Cable TV	5%
Telephone	4%
Municipal Energy Tax	6%
Transportation Tax	0.30%
Transient Room Tax	1%

IMPACT FEES

SERVICE	FEE
Heber City Parks and Trail (Residential Per Unit) – Applies City-Wide	$6,727.00 Single Family Dwellings/Residential-ERU $3,536.00 Multi-Family Dwellings (Including mobile homes)
Heber City Streets and Transportation (Residential Per Unit)	
Single-Family	$5,640.00
Multi-Family	$3,193.00
Non-Residential Per Trip	$678.00
Heber City Culinary Water	
Residential (ERU) Per Unit	$4,199.00
Fee Per .75" Meter (30 gpm max flow)	$4,199.00
Fee Per 1.0" Meter (50 gpm max flow)	$7,464.00
Fee Per 1.5" Meter (100 gpm max flow)	$16,794.00
Fee Per 2.0" Meter (160 gpm max flow)	$29,857.00
Fee Per 3.0" Meter (350 gpm max flow)	$67,178.00
Fee Per 4.0" Meter (1,000 gpm max flow)	$119,427.00
Heber City Pressurized Irrigation	
Residential Per Unit	$1,177.00
Non-Residential Per Irrigated Square Foot	$0.17
Heber City Sewer (Per ERU)	$1,562.00
Heber City Public Safety – Applies City-Wide	
Single-Family Residential Impact Fee (Per Unit)	$263.00
Multi-Family Residential Impact Fee (Per Unit)	$220.00
Non-Residential Impact Fee (Per Square Foot)	$0.58
Sawmill Development	
2A, 2B, 3,6,8 & 9 Special Road Assessment	$6,182.00
North Village Facility	
North Village Streets	
Single-Family Dwelling Unit	$3,623.00
Non-Residential Trip Generated	$384.00

North Village Storm Drain (Per ERU)	
Everything	$4,769.00

Impact Fees are adjusted January 1st of each year based on prior year, December, ENR 20 City Index.
In addition to Heber City's impact fees, the City also collects a $4,170.00 per ERU sewer impact fee for the Heber Valley Special Service District.

PRESSURIZED IRRIGATION FEES

SERVICE	MONTHLY FEE
Secondary Irrigation – By Lot Size	
≤ ~~Less than~~ 6,000 sq. ft.	$12.76
6,000 – 9,999 sq. ft.	$21.26
10,000 – 14,999 sq. ft.	$31.83
15,000 – 19,999 sq. ft.	$42.40
≥~~More than~~ 20,000 per IK sq. ft.	$53.09
Non-Residential	$0.01 per sq. ft.
SERVICE	**FEE**
Ditch Irrigation	$22.07 per share with $10.00 minimum
Water Meter Transponder and Installation	
.75” Meter with Transmitter	$599.37
1.0” Meter with Transmitter	$699.78
1.5” Meter with Transmitter	$1,662.49
2.0” Meter with Transmitter	$3,141.17
3.0” Meter with Transmitter	$3,709.75
4.0” Meter with Transmitter	$5,666.12
5.0” Meter with Transmitter	$8,164.68

PLANNING FEES

APPLICATION TYPE	ADMINISTRATIVE FEE	ESCROW*
Annexations	$7,000.00	$3,200.00
MDA Amendments	$2,000.00	$600.00
General Plan, Zoning Map Amendment, Zoning Test Amendment, General Plan Amendment, New Zone Adoption, New MDA	$3,000.00	$2,300.00
Zone Map Amendment to Central Heber Overlay Zone (CHOZ), ¾ acre or less	$1,500.00	
Road Dedication or Vacation (Not Including Infrastructure Review)	$1,000.00	
Concept (Commercial/ Multi-Family)	$2,500.00	
Site Plan (Commercial/ Multi-Family)	$7,500.00	
CHOZ Commercial/ Multi-family concept, CHOZ Site Plan Commercial/ Multi-family, ¾ acre or less	$1,500.00	
Subdivision Concept	$2,000.00	
Subdivision Preliminary, RV Park Preliminary	$7,500.00 + $75.00 per Unit	
Subdivision Final, RV Park Final	$7,500.00 + $100.00/Unit	
Subdivision Final Plan Renewal	$2,000.00	
Small Subdivision	$3,500.00	
Small Subdivision in CHOZ or Condo Plat of Existing Multi-Family Dwelling in CHOZ	$1,500 plus $50 per unit	
Conditional Use	$1,000.00	
Telecommunication	$1,500.00	
Plat Amendment	$2,000.00	
Lot Line Adjustment	$750.00	
~~**Development Review Meeting (App will not vest a project)**~~	~~$1,000.00~~	
~~**Pre-Application Meeting (App will not vest a project)**~~	~~$250.00~~	
Pre-Development Meeting (App Will Not Vest a Project)	~~$125.00~~No fee	
Zoning Certification of Administrative Interpretation	$75.00	
Sign	~~$78.00~~$100.00	
Appeal Authority Application	$750.00	
~~**Other Applications**~~	~~$100.00 + Costs~~	

PID Letter of Intent	$2,000.00	
PID Governing Documents	$5,000.00	
Site Plan Amendment (Minor)	$2,000.00	
Site Plan Amendment (Major)	$4,000.00	
Site Plan with Conditional Use Permit (CUP)	$8,500.00	
Comment Review Meeting	No fee	

*Escrow is intended to cover costs for reviewing an application and will increase if application review costs increase.

Note: If processing, review, or special report review costs exceed application fees; applicant will be required to pay additional costs.

POLICE FEES

SERVICE	FEE
Finger Printing	$35.00; $70.00 for out-of-County residents
False Alarms	
First Two	$0.00
Third	$50.00
Fourth	$75.00
Fifth Through Ninth	$100.00
Tenth and All Subsequent	$200.00
Police Reports/ Government Records Access & Management Act (GRAMA) Request	
Up to 50 10 pages	$10.00
51 11 Pages and Over	$10.00 + $0. 250 per page after 50 10 pages
Fax	
First Page	$2.00
Each Additional Page	$1.00
Copies	
Black and White	$0.20 50 per sheet
Color	$0.30 75 per sheet
Notarized Copy	$5.00 per signature
GRAMA/Discovery Request	Actual Wage & Benefit Cost First 30 minutes provided at no cost. Thereafter, actual wage and benefit cost of the lowest-paid qualified City employee
Multimedia Copying Fee	$30.00
Body Camera/ Car Camera Fee	$30.00 per OfficerFirst 15 minutes provided at no cost. Thereafter, actual wage and benefit cost of the lowest-paid qualified Records Officer
Body Camera/ Car Camera Fee Redacted	$30.00 Base fee plus actual wage & benefit cost
Sex Offender Registry	$25.00 annual check; $150 first time registry
Special Events Late Fee*	$100.00

*Late fee inflicted if special event is not scheduled at least one week in advance.

STORM WATER FEES

SERVICE	MONTHLY FEE
Single-Family Unit	$~~17.56~~ 19.15
Multi-Family ≤ 1 Acre	$~~17.56~~ 19.15
Multi-Family > 1 Acre	$~~13.67~~14.90
Non-Residential ≤ 1 Acre	$~~17.56~~ 19.15
Non-Residential > 1 Acre	$~~13.67~~ 14.90
Maximum Fee for Any Parcel	$~~145.49~~158.58*

*Parcels shall not be combined.

WATER/SEWER FEES

Commented [SN4]: All Water fees need to go up 12%
All Sewer fees need to go up 8%

I don't think anything after Volume charge does up.

SERVICE	MONTHLY FEES
Residential Water – Base Fee	$38.50
~~.75" Meter~~	~~$32.51~~
~~1.0" Meter~~	~~$32.51~~
Residential Water – Price Per Thousand Gallons	
0 – 7,000	$~~1.15~~1.29
7,001 – 12,000	$~~1.43~~1.60
12,001 – 19,000	$~~2.08~~2.33
19,001 – 35,000	$~~2.59~~2.90
35,001 – 70,000	$~~3.00~~3.36
70,001 – 999,999,999	$~~3.52~~3.94
Commercial Water – Base Fee	
.75" Meter	$~~32.51~~36.41
1.0" Meter	$~~32.51~~36.41
1.5" Meter	$~~149.56~~167.51
2.0" Meter	$~~234.12~~262.21
3.0" Meter	$~~545.87~~607.77
4.0" Meter	$~~912.51~~1,022.01
6.0" Meter	$~~1,682.64~~1,884.56
8.0" Meter	$~~2,929.43~~3,280.96
10.0" Meter	$~~2,919.64~~3,270.00
Commercial Water – Price Per Thousand Gallons	
0 – 7,000	$~~1.29~~1.44
7,001 – 999,999,999	$~~2.72~~3.05
Sewer	
Base Rate	$~~35.64~~38.49
HVSSD Fee	~~$14.65 per ERU plus $0.65 per 1,000 gallons of winter water usage~~Please refer to Heber Valley Special Service District for current rates and charges.
Volume Charge	$~~2.03~~2.19 per thousand gallons
SERVICE	**FEES**
Late Payment Penalty	5% or $5.00, whichever is greater
Change of Ownership Fee	$25.00
Reconnections	
First Time	$50.00
Subsequent fee if disconnected within 12 months	$100.00
Water Meter/ Transporter and Installation	
.75" Meter with Transmitter	$599.37
1.0" Meter with Transmitter	$699.78
1.5" Meter with Transmitter	$1,662.49

2.0” Meter with Transmitter	$3,141.17
3.0” Meter with Transmitter	$3,709.75
4.0” Meter with Transmitter	$5,666.12
6.0” Meter With Transmitter	$8,164.68
Water Meter Set Delay Charge*	~~$70.00~~75.00

All fees are one and a half times for non-resident accounts.

Note: If a water meter will be necked down from a 2" to a 1 1/2" or a 1 1/2" down to a 1", an additional fee of $191.84 will be added.

*Cover the cost of a scheduled service for an unprepared site.

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Contract Award to Morgan Pavement for the Heber City 2026 Pavement Striping Project in the amount of $169,518.00
RESPONSIBLE:	Russ Funk
DEPARTMENT:	Engineering
STRATEGIC RELEVANCE:	Necessary Administrative Action Infrastructure Sustainability

SUMMARY

The purpose of this item is to seek Council approval to award a construction contract to Morgan Pavement for the Heber City 2026 Pavement Striping Project

RECOMMENDATION

That the City Council authorize staff to execute a contract with the apparent low bidder Morgan Pavement in an amount of $169,518.00

BACKGROUND

As part of our ongoing efforts to maintain roads and pavements, Heber City completes an annual striping project to refresh striping and markings on City-owned pavements. In FY27, striping will be completed along with other road maintenance efforts including crack sealing and surface sealing of the roads. Those efforts have been contracted through a separate project.

This year, staff included within the Striping Project Bidding Documents, a provision that allows for annual renewal of the contract agreement each year through 2028 at the discretion of Heber City. It also allows for on-going services from the contractor that would enable the City to call the contractor back after the project is complete to have them complete additional smaller requests. This is intended to provide the City with flexibility to complete this work without expending the resources annually to re-bid the project if believed to be in the best interest of the City.

The project was advertised for bid on the Utah Public Procurement Place website and a Public Bid Opening was held on June 11th. The following bids were received:

Bidder	Total Bid Amount
Morgan Pavement	$169,518.00

Roadsafe Traffic Systems	$214,181.40

Attached is the bid tabulation showing the bid details.

DISCUSSION

It is anticipated that the project will begin in early July and be complete by October 30, 2026. All striping for school related crosswalks will be complete by August 14th.

FISCAL IMPACT

Total Engineering Design & Bidding Services for the project are $14,856
Engineering Contract Admin, and Inspection Services are estimated at $15,000
The construction cost if the project is awarded as recommended to Morgan Pavement is $169,518.00

The total budget for the Project, including a 10% construction contingency, is estimated to be $216,325.80

The draft FY27 Budget includes a budget of $2,000,000 of Transportation Tax (Fund 48) funding for pavement maintenance related projects. The sealing project, which has already been awarded, is estimated to cost $1,343,000, leaving adequate funding available to complete this project.

CONCLUSION

Based on the need to complete the project and seeing that adequate funds are available, Staff recommends that the Council approve the recommendation to authorize a contract with the low apparent bidder, Morgan pavement in the amount of $169,518.00

ALTERNATIVES

1. Approval
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** this item as recommended by staff

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue

I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Engineering
Staff member: Russ Funk, City Engineer

EXHIBITS

None

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Utah Division of Forestry, Fire and State Lands (FFSL) Cooperative Agreement
RESPONSIBLE:	Tony Kohler
DEPARTMENT:	Planning
STRATEGIC RELEVANCE:	Community Development

SUMMARY

The proposed agreement specifies that the State of Utah will assist in wildfire fighting efforts, provided Heber City takes measures to implement wildfire prevention, mitigation and preparedness. The agreement would replace the 2017 Cooperative Agreement with the State.

RECOMMENDATION

Staff recommends approval of the proposed Cooperative Agreement.

BACKGROUND

In 2017, Heber City and the State of Utah entered into a Cooperative Agreement, whereby the state agreed to assist in providing financial and fire fighting resources to combat wildfires. Heber City's obligation with that agreement was to provide an in-kind contribution in the amount of $4,800 towards wildfire prevention, mitigation, and preparedness. Later that year, Heber City entered into an MOU with the Fire District, whereby the Fire District agreed to help meet that obligation, as Heber City and other municipalities in the county did not have the fire personnel to train to meet part of the Cooperative Agreement obligations.

On May 4, 2026, Heber City received notice that it immediately is not under a cooperative agreement to participate in the Cooperative Wildfire System. In order to re-establish this relationship, Heber City needs to approve and execute a new Cooperative Agreement with the State. In discussing this with Troy Morgan, the Fire Warden, this event has occurred not to the fault of Heber City, but has occurred throughout the state for all entities that have a Cooperative Agreement with the State. Apparently the past agreements did not have the correct parties signing the agreement and the new agreement rectifies that situation.

DISCUSSION

Heber City has taken many efforts to increase its wildfire resilience in the last few years, including adoption of the Wildland Urban Interface Code (WUI) and a Wildfire Hazard Plan in 2020-21. Heber City is in the process of updating the WUI map to reflect state best practices and understanding of

wildfire risk in the valley. Heber City most recently entered into an MOU with the Fire District committing to the dedication of land to the district for a future fire station.

Given the current drought and the resulting high potential for wildfires, it is important for Heber City to act on and approve the proposed agreement promptly.

FISCAL IMPACT

The fiscal impact for NOT approving this agreement could be substantial, as the state would not assist in fire-fighting efforts for wildfires in Heber City, and Heber City would need to bear those costs without state participation.

CONCLUSION

The Cooperative Agreement is necessary to ensure state participation in costs for fighting wildfires.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Planning
Staff member: Tony Kohler, Community Development Director

EXHIBITS

1. 2026-01-15 CWS Cooperative Agreement Final - Municipal Only FILLABLE
2. DWR Agreement
3. Wildfire MOU Addendum 7-6-17

4. Email Notice

COOPERATIVE AGREEMENT

This Cooperative Agreement (the "Agreement") is made and entered into this ____ day of _____ 2025 (the "Effective Date"), by and between the Utah Division of Forestry, Fire and State Lands ("FFSL") and _____ (the "Participating Entity"). FFSL and the Participating Entity may sometimes be referred to in this Agreement individually as a "Party" or, collectively, as the "Parties."

RECITALS

A. Pursuant to Utah Code Section 65A-8-203, this Agreement is required for a county, municipality, or certain other Eligible Entities and the State of Utah, by and through FFSL, to cooperatively discharge their joint responsibilities for protecting non-federal land from wildland fire.
B. The Participating Entity is a county, municipality, or other Eligible Entity, as defined in Section I of this Agreement.
C. The Participating Entity is eligible to enter into a Cooperative Agreement under Utah Administrative Code R652-121 and R651-122.
D. FFSL provided to the Participating Entity, and the Participating Entity signed and returned to FFSL, the Annual Participation Commitment Statement before the Effective Date of this Agreement.
E. The fire department or equivalent fire service provider under contract with, or delegated by, the Participating Entity on unincorporated land meets minimum standards for wildland fire training, certification, and suppression equipment based upon nationally accepted standards, determined by FFSL.

AGREEMENT

I. Definitions

For the purposes of this Agreement:

1. "Annual Participation Commitment Report" means a report prepared by the Participating Entity, detailing the expenditures and activities conducted in compliance with the Participation Commitment during the past calendar year.
2. "Annual Participation Commitment Statement" means a statement, signed by both FFSL and the Participating Entity, detailing both the monetary value of the Participation Commitment for the upcoming calendar year and the detailed activities the Participating Entity plans to perform to fulfill their Participation Commitment for that year.
3. "Catastrophic Wildfire" means wildland fires whose size and intensity cause significant impacts to State and local economies, critical infrastructure, the environment, and private landowners.

4. “Cooperative Agreement” means the same as the term is defined in Utah Administrative Code R652-1-200.
5. “Delegation of Fire Management Authority” means the acceptance by FFSL of responsibility for:
    i. Managing a wildfire; and
    ii. The cost of fire suppression, as described in Utah Code Section 65A-8-203.
6. “Direct Expenditure” means funds spent by a Participating Entity to implement wildland fire prevention, preparedness, or mitigation efforts both agreed to between the Parties and approved by FFSL.
7. “Direct Payment” means an alternative method of meeting all, or part, of the participation commitment by paying FFSL directly, as identified in Utah Code Section 65A-8-203.
8. “Director” means the division director of FFSL.
9. “Eligible Entity” means the same as the term is defined in Utah Code Section 65A-8-203.
10. “Extended Attack” means actions taken in response to wildland fire after Initial Attack.
11. “Firefighter” means an individual trained in wildland firefighting techniques and assigned to a position of hazardous duty.
12. “Initial Attack” means actions taken by the first resources to arrive at any wildland fire incident, including—without limitation—size-up, patrolling, monitoring, holding action, or aggressive suppression action.
13. “In-Kind Activity” means an activity for wildland fire prevention, preparedness, or mitigation efforts both agreed to between the Parties and approved by FFSL. The value of an In-Kind Activity shall be determined by using the rate calculated by the Independent Sector, https://www.independentsector.org/.
14. “Minimum Billing Threshold” means the dollar value of expenses not charged to the Participating Entity but incurred by FFSL, on behalf of the Participating Entity, on Initial Attack prior to Delegation of Fire Management Authority.
15. “Participation Commitment” means prevention, preparedness, and mitigation actions and expenditures, including those identified in an FFSL-approved CWPP or equivalent wildland fire preparedness plan, undertaken by a Participating Entity to reduce the risk of wildland fire and meet the intent of Utah Code Sections 65A-8-202 and 65A-8-202.5.
16. “Participating Entity” means an Eligible Entity with a valid Cooperative Agreement.

II. Term.

1. The term of this Agreement shall be five (5) years from the Effective Date.

III. Participation Commitment.

1. Annual Statement.
    a. FFSL shall send the Participating Entity an Annual Participation Commitment Statement at least three (3) months in advance of the end of each calendar year during the term of this Agreement.
    b. Upon receipt of an Annual Participation Commitment Statement, the Participating Entity shall complete the annual plan portion of the Annual Participation Commitment Statement outlining the actions it intends to take that address the wildfire threat. Within sixty (60) days of receipt of an Annual Participation Commitment Statement, the Participating Entity shall send the completed annual plan to FFSL for review and approval.
    c. Upon receipt of the Participating Entity's annual plan, FFSL shall review the annual plan. FFSL may request additional information before approving the annual plan. Upon FFSL's approval of the annual plan, FFSL shall sign and send the Annual Participation Commitment Statement to the Participating Entity for signature.
    d. Upon receipt of the signed Annual Participation Commitment from FFSL, the Participating Entity's chief executive shall sign and return the fully executed Annual Participation Commitment Statement to FFSL by the deadline provided. In the event the Participating Entity fails to sign and return the Annual Participation Commitment Statement by the deadline provided, this Agreement will terminate at the conclusion of the last calendar year in which the Participating Entity complied with this requirement.
2. Fulfillment.
    a. The Participating Entity shall meet its Participation Commitment, as determined by FFSL, pursuant to Utah Administrative Code R652-122.
    b. The Participating Entity shall meet its Participation Commitment through direct expenditures, direct payment, in-kind activities, or any combination of the three that are mutually agreed upon by the Parties.
3. Consultation.
    a. The Participating Entity may consult with FFSL to identify valid Participation Commitment actions and activities, based on the Participating Entity's FFSL-approved CWPP or equivalent wildfire preparedness plan.
4. Accounting.
    a. The Participating Entity shall account for its respective Participation Commitment activities and expenditures through the Utah Wildfire Assessment Risk Portal ("UWRAP").

b. Beginning January 1, 2025, all qualifying Participation Commitment expenditures and activities count toward the Participating Entity's first full-year Participation Commitment.
c. The value of Participation Commitment expenditures and activities may, with approval of FFSL, carry-over to the next calendar year.
d. With the Director's approval, or approval of a designee, the value of capital improvement actions may carry-over for up to five (5) years and the value of non-capital improvement actions may carry-over for up to three (3) years.
e. The Participating Entity must receive written approval from the Director, or designee, before pursuing carry-over for a specific action or activity under this Section III(4).
f. Amounts reported annually in excess of Participation Commitment do not carry-over without written approval from the Director, or designee, under this Section III(4).

5. Reporting.
    a. The Participating Entity shall record and account for its Participation Commitment actions and expenditures in UWRAP.
    b. The Participating Entity shall provide an annual accounting of its activities and expenditures to FFSL for review and approval in the manner and form specified by FFSL.
    c. The Participating Entity shall account for, track, and report any year-to-year carry-over under Section III(4) of this Agreement in UWRAP.
    d. FFSL may review and verify records related to the Participating Entity's Participation Commitment at any time.
    e. FFSL may reject records related to the Participating Entity's Participation Commitment deemed by FFSL to be unverifiable, incorrect, or not approved in the Participating Entity's signed Participation Commitment Statement.
6. Calculation.
    a. FFSL shall calculate the Participation Commitment based on a wildfire risk assessment by acres (the "Risk Assessment"), conducted by FFSL, and the historic fire cost average ("Fire Cost Average") in the Participating Entity's jurisdiction, pursuant to Utah Administrative Code R652-122.
    b. The Risk Assessment calculation shall be adjusted for inflation using the Consumer Price Index.
    c. FFSL shall calculate the Fire Cost Average based on historic suppression costs accrued within the Participating Entity's jurisdiction. The Fire Cost Average shall only include wildland fire suppression costs accrued and paid by FFSL on behalf of a Participating Entity within the Participating Entity's jurisdiction. The

Fire Cost Average may include State-paid costs after Delegation of Fire Management Authority and Transfer of Fiscal Responsibility has occurred within the Participating Entity's jurisdiction.

d. The Fire Cost Average shall be calculated on a rolling, ten-year average, dropping the highest and lowest cost years and adjusting for inflation using the Consumer Price Index. Each ten-year average shall contain eight data points.

7. Appeals.
    a. Where permitted by Utah Administrative Code R652-122 and within ninety (90) days of the occurrence, the Participating Entity may appeal a decision regarding its Participation Commitment by submitting to the Director a written appeal that states the reasons for the appeal.

IV. Initial Attack.

1. The Participating Entity shall have primary responsibility for Initial Attack ("IA") on all nonfederal lands within the response area of the Participating Entity or within the response area of any delegee of the Participating Entity.
2. IA may include different resources based on fire danger, fuel type, values to be protected, and other factors.
3. Pursuant to Utah Code Sections 65A-8-202–202.5 and in accordance with this Agreement, FFSL shall determine reasonable and effective wildfire IA by verifying that the Participating Entity has adequate resources and equipment to manage IA.
4. The Participating Entity shall have financial responsibility for all IA costs within its jurisdiction, other than aviation costs.
5. FFSL shall have financial responsibility for all IA aviation costs.

V. Delegation of Fire Management Authority and Transfer of Fiscal Responsibility.

1. Delegation of Fire Management Authority and the transfer of fiscal responsibility to FFSL for a wildland fire shall occur simultaneously with one of the following events:
    a. The involvement of state-owned or federally-owned lands in the wildland fire;
    b. The order, beyond pre-planned dispatch, of firefighting resources through an Interagency Fire Center;
    c. The request of the Participating Entity with jurisdiction through its local fire official on scene with authority to do so; or
    d. The decision of the Director, after consultation with local authorities.
2. Upon Delegation of Fire Management Authority to FFSL, FFSL, or its designee, shall be the primary incident commander in a unified command environment with the agency having jurisdiction.

3. Deployment of aviation assets on pre-planned dispatch, as established by the State, does not cause an automatic Delegation of Fire Management Authority.

VI. Extended Attack.

1. Immediately upon Delegation of Fire Management Authority, the incident commander shall record a timestamp via radio with the Interagency Fire Center servicing the incident.
2. The Crew Time Report ("CTR") or Shift Ticket of all resources not covered by a no-cost local agreement, such as an automatic aid system or other inter-local agreement, shall also reflect the timestamp recorded in Section VI(1).
3. Immediately upon Delegation of Fire Management Authority, a new CTR or Shift Ticket shall be started for all resources to be used in the Extended Attack.
4. All incident commanders named on the incident organizer shall sign delegation documentation. Resource needs shall be reevaluated in the transition from IA to Extended Attack.
5. Upon Delegation of Fire Management Authority, and if the Participating Entity is compliant with relevant statutes, regulations, and the terms of this Agreement, FFSL shall be financially responsible for wildland fire suppression costs incurred beyond IA.

VII. Wildland Fire Response Training and Certification.

1. The Participating Entity shall ensure Firefighters providing IA within the Participating Entity's jurisdiction are trained in NWCG S130 Firefighter Training and S190 Introduction to Wildland Fire Behavior.
2. The Participating Entity shall ensure firefighters providing IA within the Participating Entity's jurisdiction have completed RT130 Annual Fireline Safety Refresher Training prior to each statutory "closed fire season," as defined in Utah Code Section 65A-8-211.
3. Upon Delegation of Fire Management Authority, FFSL may release from IA, or reassign to other firefighting duties, any Firefighter not certified as a NWCG Wildland Firefighter II.

VIII. Wildland Fire Response Equipment Standards.

1. The Participating Entity shall ensure engines, water tenders, hand tools, and water handling equipment used for response to wildland fire on nonfederal land within the Participating Entity's jurisdiction meet the National Wildfire Coordinating Group standards and, if applicable, the FFSL Fire Department Manual standards.

IX. Wildland Fire Cost Recovery Actions.

1. Pursuant to Utah Code Title 65A and Utah Administrative Code R652, and when an investigation reasonably shows a person or persons started a wildfire by acting in a negligent, reckless, or intentional manner, the Participating

Entity shall initiate a civil action to recover all wildland fire costs incurred for a particular wildland fire ("Cost Recovery Action"), except for when Delegation of Fire Management Authority has occurred. FFSL may assist the Participating Entity in a Cost Recovery Action under this Section IX(1).

2. The Participating Entity shall notify FFSL once it has initiated a Cost Recovery Action.
3. If the Participating Entity recovers from a Cost Recovery Action, the Participating Entity shall provide to FFSL documentation verifying wildland fire costs by the Participating Entity and the legal costs incurred for the Cost Recovery Action.
4. The Participating Entity may retain costs recovered up to and not exceeding its incurred wildland fire costs—including legal fees in pursuing the Cost Recovery Action. All other recovered costs shall be tendered to FFSL for distribution amongst other entities with incurred suppression costs.
5. The value of costs incurred and recovered by the Participating Entity may reduce the Participating Entity's Historic Fire Cost Average and Participation Commitment.
6. FFSL may initiate a Cost Recovery Action at any time, including when Delegation of Fire Management Authority has occurred and upon notice by the Participating Entity under Section IX(4).

X. Probation Status.

1. At the end of each calendar year, FFSL shall review the Participating Entity's compliance with the terms of this Agreement.
2. If the Participating Entity is out of compliance, FFSL shall place the Participating Entity on "Probation Status" and provide the Participating Entity with a "Probation Notice" including:
    a. Notice of the Probation Status;
    b. The reason for the Probation Status;
    c. The action(s) the Participating Entity must take to remedy the Probation Status; and
    d. The time frame within which the Probation Status may be remedied.
3. If the reason for the Probation Status is the Participating Entity's failure to fulfill its Participation Commitment for the previous calendar year:
    a. The Participating Entity shall fulfill its Participation Commitment for the previous year and its Participation Commitment for the current calendar year within the Probation Notice time frame;
    b. FFSL shall credit the Participating Entity's Participation Commitment expenditures and actions toward the Participating Entity's outstanding obligation before it may credit the expenditures and actions toward the current obligation;
    c. FFSL may, based on evidence of a good faith effort to comply with Section X(3)(a) and at the sole discretion of FFSL, extend the

Probation Notice time frame if the underlying noncompliance is not timely remedied; and

d. FFSL shall lift the Probation Status if the underlying noncompliance is remedied within the Probation Notice time frame.

4. If the reason for the Probation Status is the Participating Entity's noncompliance with one or more terms of this Agreement, apart from a failure to fulfill its Participation Commitment:
    a. The Participating Entity shall remedy the underlying noncompliance that led to the Probation Status within the Probation Notice time frame;
    b. FFSL shall lift the Probation Status if the underlying noncompliance is remedied within the Probation Notice time frame; and
    c. FFSL may, pursuant to Section XI, revoke this Agreement if the underlying noncompliance is not remedied within the Probation Notice time frame.
5. For the duration of the Probation Status, this Agreement remains valid.

XI. Revocation.

1. FFSL may revoke this Agreement by providing written notice to the Participating Entity no later than forty-five (45) days from the start or end of the statutory fire season, as defined in Utah Code Section 65A-8-211.
2. If the Participating Entity signed and returned the Annual Participation Commitment Statement to FFSL, a revocation by FFSL shall be effective in the calendar year following the year the Annual Participation Commitment Statement was signed and returned.
3. The Participating Entity may revoke this Agreement by:
    a. Providing written notice to FFSL of its intent to revoke this Agreement; or
    b. By failing to sign and return the Annual Participation Commitment Statement to FFSL, unless a written extension for return has been granted by FFSL.
4. Any revocation of this Agreement is considered a termination of the Agreement.
5. If either FFSL or the Participating Entity revokes this Agreement, the Participating Entity may only enter into a new CWS cooperative agreement with FFSL if the Participating Entity meets the requirements under Utah Administrative Code R652-121 and the Participating Entity pays FFSL all outstanding wildland fire suppression costs in full.
6. If FFSL revokes this Agreement after the Participating Entity was placed on Probation Status, the Participating Entity shall be responsible for all costs of wildland fire suppression incurred by FFSL within the Participating Entity's jurisdiction from the date of the Probation Notice to the revocation of this Agreement.

7. A revocation of this Agreement by FFSL may be informally appealed to the Director within thirty (30) days of the notice of revocation being provided.

XII. Renewal, Amendment, and Compliance with Applicable Laws.

1. If neither FFSL nor the Participating Entity revoke this Agreement under Section XI, this Agreement may renew for a consecutive five (5) year term.
2. There is no renewal limit.
3. The terms of this Agreement may be amended at any time by written agreement, signed by the Parties.
4. The terms of this Agreement shall be subject to and, at the end of each five (5) year term, amended as necessary to comply with Utah Code Title 65A and Utah Administrative Code R652.
5. This Agreement is made pursuant to the provisions of all applicable laws and subject to the rules and regulations of the departments and agencies of the State of Utah presently in effect and to such laws, rules, and regulations as may be hereafter promulgated.

XIII. Community Wildfire Preparedness Plan.

1. The Participating Entity shall adopt a Community Wildfire Preparedness Plan ("CWPP") or, subject to FFSL's approval, equivalent wildland fire preparedness plan.
2. Following adoption, the Participating Entity shall update the CWPP or equivalent wildland fire preparedness plan at least every five (5) years initial adoption from initial adoption.
3. The Participating Entity shall implement prevention, preparedness, and mitigation actions identified in its CWPP or equivalent wildland fire preparedness plan.

XIV. Wildland Urban Interface.

1. The Participating Entity has adopted the Utah Wildland Urban Interface Code, as defined in Utah Code Section 65A-8-401.
2. The Participating Entity shall annually report on enforcement of the wildland urban interface building standards adopted by the Participating Entity.
3. If the State adopts a different version of the Code, the Participating Entity shall adopt within two years the same version of the Code.
4. The Participating Entity designates the following position as responsible to enforce the WUI code: _____.
5. The Participating Entity shall provide to FFSL the map of the zone where the wildland urban interface building standards are enforced. If the Participating Entity makes changes to the map they shall provide to FFSL the current map within 90 days of adoption.
6. The Participating Entity shall comply with all statutes, regulations, policies, and other requirements relating to wildland urban interface property.

7. If the Participating Entity chooses to perform lot assessments under the High Risk Wildland Urban Interface program, they must do so in accordance with policy established by FFSL.

XV. Miscellaneous.

1. This Agreement is governed by the laws, rules, and regulations of the State of Utah. Any action or proceeding arising from this Agreement shall be brought in a court of competent jurisdiction in the State of Utah. Venue shall be in Salt Lake City, in the Third Judicial District Court for Salt Lake County.
2. At all times during this Agreement, the Participating Entity shall comply with all applicable federal and state constitutions, laws, rules, codes, orders, and regulations, including applicable licensure and certification requirements.
3. The Participating Entity shall be fully liable for the actions of its agents, employees, officers, and partners and shall fully indemnify, defend, and hold harmless FFSL and the State of Utah from all claims, losses, suits, actions, damages, and costs of every name and description arising out of the Participating Entity's performance of this Agreement to the extent caused by any intentional wrongful act or negligence of the Participating Entity, its agents, employees, officers, or partners, without limitation; provided, however, the Participating Entity shall not indemnify for that portion of any claim, loss, or damage arising hereunder due to the fault of FFSL. In the event there is a conflict between this provision and Utah Code Sections 65A-8-101–403 or other provisions of State law, State law shall govern. The Parties are governmental entities under the Utah Governmental Immunity Act (the "Immunity Act"). Nothing contained herein shall be construed in any way to modify the limits of liability set forth in the Immunity Act or the basis for liability as established in the Immunity Act. Nothing contained herein shall be construed as a waiver by any Party of any defenses or limits of liability available under the Immunity Act and other applicable law. The Parties maintain all privileges, immunities, and other rights granted by the Immunity Act and all other applicable law.
4. The Participating Entity agrees to abide by the following federal and State employment laws, including: (i) Title VI and VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e), which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services on the basis of race, religion, color, or national origin; (ii) Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; (iii) 45 CFR 90, which prohibits discrimination on the basis of age; (iv) Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990, which prohibits discrimination on the basis of disabilities; and (v) Utah's Executive Order 2019-1, dated February 5, 2019, which prohibits unlawful harassment in the workplace. The Participating Entity further agrees

to abide by any other laws, regulations, or orders that prohibit the discrimination of any kind by any of the Participating Entity's employees.

5. The Participating Entity may not assign, sell, transfer, subcontract, or sublet rights, or delegate any right or obligation under this Agreement, in whole or in part, without the prior written approval of FFSL.
6. A waiver of any right, power, or privilege shall not be construed as a waiver of any subsequent right, power, or privilege. No waiver of any term of this Agreement is valid unless in writing.
7. The invalidity or unenforceability of any provision, term, or condition of this Agreement shall not affect the validity or enforceability of any other provision, term, or condition of this Agreement, which shall remain in full force and effect.
8. This Agreement may only be modified by the mutual written agreement of the Parties. If modified, the modification will be attached and made part of this Agreement.
9. This Agreement, constitutes the entire agreement between the Parties and supersedes any and all other prior and contemporaneous agreements and understandings between the parties, whether oral or written.
10. In the event of any conflict or disagreement between this Agreement and any applicable statute or regulation, the statute or regulation shall control.

SIGNATURES ON FOLLOWING PAGE

UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS

FFSL Area Manager Signature	Name	Date
State Forester/Division Director Signature	Name	Date

PARTICIPATING ENTITY

Chief Executive Signature	Name	Date

APPROVED AS TO FORM

UTAH ATTORNEY GENERAL'S OFFICE

Connor Arrington (Jan 15, 2026 13:27:10 MST)	Connor Arrington	01/15/2026
Assistant Attorney General Signature	Name	Date

COOPERATIVE AGREEMENT
BETWEEN THE
UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS
AND
HEBER CITY

This agreement shall become effective on July 1, 2017 and is intended to continue for five years from the date of the last authorized signature and may only be amended by mutual written agreement of the parties. In the event of disagreement between this agreement and any statute or regulation, the statute or regulation shall control. No waiver of any terms of this agreement will be valid unless in writing in accordance with R652-122-200 (2017).

SECTION I: RECITALS AND GLOSSARY OF TERMS

A. Pursuant to Utah Code § 65A-8-203 (2017), this Cooperative Agreement is required for a county, municipality, or certain other eligible entity ("Participating Entity") and the State of Utah, Division of Forestry, Fire, and State Lands ("FFSL")(collectively "parties") to cooperatively discharge their joint responsibilities for protecting non-federal land from wildland fire.

B. Glossary of Terms
   a. Annual Participation Commitment Report – a report prepared by the Participating Entity detailing the expenditures and activities conducted in compliance with the Participation Commitment during the past fiscal year.
   b. Cooperative Agreement – an agreement between FFSL and an Eligible Entity wherein the Eligible Entity agrees to meet a Participation Commitment and provide Initial Attack for wildland fire, and FFSL agrees to pay for wildland fire suppression costs following a Delegation of Fire Management Authority as found in Utah Code § 65A-8-203.1 (2017), as well as all aviation asset costs charged to the incident.
   c. Eligible Entity – as defined in Utah Code § 65A-8-203 (2017), a county, municipality, special service district, local district, or service area with wildland fire suppression responsibility as described in Utah Code § 11-7-1 and wildland fire suppression cost responsibility and taxing authority for a specific geographic jurisdiction; or, with approval by the FFSL director, a political subdivision established by a county, municipality, special service district, local district, or service area that is responsible for providing wildland fire suppression services and paying for the cost of wildland fire suppression.
   d. Extended Attack – actions taken in response to wildland fire after Initial Attack.
   e. Initial Attack –actions taken by the first resources to arrive at any wildland fire incident. Initial actions may be size-up, patrolling, monitoring, holding action, or

aggressive suppression action. All wildland fires that are controlled by suppression forces undergo initial attack. The kind and number of resources responding to initial attack varies depending on fire danger, fuel type, values to be protected and other factors. Generally, initial attack involves a small number of resources and the incident size is small. Regardless of fire type, location, or property/resources being threatened, firefighter and public safety is always the highest priority. (NWCG Wildland Fire Incident Management Field Guide, 2013)

f. Participation Commitment – prevention, preparedness, and mitigation actions and expenditures undertaken by a Participating Entity to reduce the risk of wildland fire and meet the intent of Utah Code § 65-A-8-202 (2017) and Utah Code § 65-A-8-202.5(2017).

g. Annual Participation Commitment Statement – a statement prepared by FFSL and sent to the Participating Entity detailing the Participation Commitment for the upcoming fiscal year.

h. Participating Entity – an Eligible Entity with a valid Cooperative Agreement.

SECTION II: CERTIFICATION OF QUALIFICATIONS

FFSL and the Participating Entity certify that the following qualifications have been met:

A. The Participating Entity is a county, municipality, or other Eligible Entity.

B. The Participating Entity agrees to adopt within 2 years of signing this agreement, and update within five years of signing this agreement, a Community Wildfire Preparedness Plan ("CWPP") or an equivalent wildland fire preparedness plan with approval from FFSL.

C. The Participating Entity's fire department or fire service provider as defined in Utah Code § 65A-8-203 (2017) meets minimum standards for wildland fire training, certification, and equipment based on nationally accepted standards as specified by FFSL in R652-122-1400 (2017).

D. FFSL has provided an Annual Participation Commitment Statement and the Participating Entity has reviewed, approved, and returned the signed Annual Participation Commitment Statement to FFSL before the start of the Participating Entity's fiscal year.

E. The Participating Entity agrees to implement prevention, preparedness, and mitigation actions, which are identified in their CWPP and lead to reduction of wildfire risk, according to their Annual Participation Commitment Statement.

F. The Participating Entity is not ineligible for a Cooperative Agreement pursuant to R652-122-200 (2017), R652-121-400 (2017), or R652-121-600 (2017)

G. If the Participating Entity is a county or has jurisdiction over unincorporated private land, the county in question has adopted a wildland fire ordinance based on minimum standards established by FFSL in R652-122-1300 (2017).

H. If the Participating Entity is a county or has jurisdiction over unincorporated private land, the county in question has a designated fire warden as described in Utah Code § 65A-8-209.1 (2017) and has entered into a County Warden Agreement (Addendum A).

SECTION III: PARTICIPATION COMMITMENT

FFSL and the Participating Entity agree to the following provisions:

A. Participation Commitment
   1. The Participating Entity agrees to fulfill a Participation Commitment as contained in R652-122-800 (2017) and R652-122-200(6)(c) (2017).
   2. The Participation Commitment includes prevention, preparedness, and mitigation actions identified in an FFSL-approved CWPP or equivalent wildland fire preparedness plan.

B. Participation Commitment Expenditures and Activities
   1. The Participation Commitment may be met through either direct expenditures or in-kind activities.
      a. Direct expenditures include funds spent by the Participating Entity to implement wildland fire prevention, preparedness or mitigation actions identified in Addendum B or with the approval of the Participating Entity's respective FFSL Area Manager.
      b. In-kind activities include wildland fire prevention, preparedness or mitigation efforts identified in Addendum B or with the approval of the Participating Entity's respective FFSL Area Manager.
         i. In-kind expenditures are valued at the rate calculated by the "Independent Sector" (https://www.independentsector.org/), the same source used for FFSL's Fire Department Assistance Grant program.
      c. Participation Commitment cannot be met through direct payment to the State.
   2. FFSL staff (e.g., County Warden, WUI Coordinator, FMO, or Area Manager) may assist the Participating Entity with identifying valid Participation Commitment

actions and activities based on the Participating Entity's FFSL-approved CWPP or equivalent wildfire preparedness plan.

C. Participation Commitment Accounting and Reporting
   1. The Participating Entity is responsible for accounting for its respective Participation Commitment activities and expenditures.
      a. Beginning January 1, 2016, all qualifying Participation Commitment expenditures and activities count toward the Participating Entity's first full fiscal year Participation Commitment.
      b. The value of Participation Commitment expenditures and activities may, in certain instances, "carry-over" to the next fiscal year with the approval of the respective FFSL Area Manager.
         i. The value of capital improvement projects--typically, large "preparedness-type" projects--can carry-over for five years, with no single project's value accounting for more than 25% of the Participating Entity's total Participation Commitment for any of those years. This is the same 25% annual maximum that applies to all preparedness activities as noted on Addendum B.
         ii. All other non-capital improvement actions (e.g., a large fuels reduction project) can carry over for three years. No maximum value applies to mitigation actions as described in Addendum B.
         iii. It is the responsibility of the Participating Entity to receive approval from their respective FFSL Area Manager in advance of pursuing a carry-over
         iv. It is the responsibility of the Participating Entity to account for, track and report in their annual Participation Commitment Report the carry-over from year to year.
   2. The Participating Entity agrees to provide an Annual Participation Commitment Report detailing the Participation Commitment activities and expenditures to their local FFSL Area Office at the conclusion of the Participating Entity's fiscal year (via the County Fire Warden) for annual review and approval by FFSL.
      a. FFSL shall have the right to review and verify records related to the Participation Commitment. FFSL shall also have the right to deny unverifiable or incorrect records.

D. Annual Participation Commitment Statement
   1. In advance of a Participating Entity's fiscal year, FFSL will send the Participating Entity an Annual Participation Commitment Statement.
   2. In order to continue participation for the Participating Entity's upcoming fiscal year, the Participating Entity's executive officer must approve, sign and return the Annual

Participation Commitment Statement to FFSL by the due date contained in the Statement. Failure to do so will terminate this agreement at the conclusion of the Participating Entity's current fiscal year.

3. The Annual Participation Commitment Statement is based on the Participating Entity's fiscal year, and the corresponding Participation Commitment must be met throughout the Participating Entity's next fiscal year.
    a. For counties, the first year of Participation Commitment will be FY 2017, starting January 1, 2017.
    b. For cities and towns, the first year of Participation Commitment will be FY 2018, starting July 1, 2017.
    c. For any other Participating Entity, the fiscal year may vary, so the first year of Participation Commitment will begin at the start of each Participating Entity's fiscal year.

E. Participation Commitment Calculation
    1. The Participation Commitment is based on two elements, a wildfire risk assessment by acres ("Risk Assessment") conducted by FFSL, and the historic fire cost average ("Fire Cost Average") in each Participating Entity's jurisdiction.
        a. The Risk Assessment is determined by FFSL's "Utah Wildfire Risk Assessment Portal" (UWRAP), which will be updated as data sources, technology and funding allow.
        b. The Fire Cost Average is based on historic suppression costs accrued by a Participating Entity. Only wildland fire suppression costs accrued and paid by the State on behalf of a Participating Entity are counted toward that entity's historic fire cost average. This includes State-paid costs after a Delegation of Fire Management Authority and Transfer of Fiscal Responsibility has occurred.
            i. The Fire Cost Average is calculated on a rolling ten-year average, dropping the highest and lowest cost years and adjusting for inflation (using the Consumer Price Index); therefore, each ten-year average will have eight data points.
            ii. The Fire Cost Average will only include State-paid suppression costs for areas for which the Participating Entity has fire suppression responsibility and taxing authority.
    2. FFSL will calculate the Participation Commitment for the Participating Entity according to the formula found in R652-122-300 (2017), R652-122-400 (2017) and R652-122-500 (2017).

F. Participation Commitment Appeals
    1. Decisions related to the Participation Commitment may be informally appealed to the State Forester.

SECTION IV: INITIAL ATTACK, DELEGATION OF FIRE MANAGEMENT AUTHORITY, TRANSFER OF FISCAL RESPONSIBILITY, and EXTENDED ATTACK

A. Initial Attack
    1. The Participating Entity agrees to primary responsibility for Initial Attack ("IA"). IA is defined as actions taken by the first resources to arrive at any wildland fire incident. Initial actions may be size-up, patrolling, monitoring, holding action, or aggressive suppression action. All wildland fires that are controlled by suppression forces undergo initial attack. The kind and number of resources responding to initial attack varies depending on fire danger, fuel type, values to be protected and other factors. Generally, initial attack involves a small number of resources and the incident size is small. Regardless of fire type, location, or property/resources being threatened, firefighter and public safety is always the highest priority (NWCG Wildland Fire Incident Management Field Guide, 2013).
    2. Effective wildland fire IA will be determined by FFSL based on the definition above and pursuant to Utah Code § 65A-8-202 (2017), defined as what is reasonable for the entity.
    3. The Participating Entity agrees to financial responsibility for all IA costs except aviation assets, which are the responsibility of the State.
    4. FFSL agrees to financial responsibility for all costs of aviation assets, including both IA and extended incidents.
        a. Aviation assets on initial run cards as established by the State will not:
            a. be counted towards a Participating Entity's historic fire cost average for purposes of annually calculating the Participating Entity's Participation Commitment; and,
            b. cause the Delegation of Fire Management Authority or Transfer of Fiscal Responsibility.

B. Delegation of Fire Management Authority and Transfer of Fiscal Responsibility
    1. Delegation of Fire Management Authority and Transfer of Fiscal Responsibility ("Delegation") occur simultaneously with one of the following events:
        a. State or federally owned lands are involved in the incident; or,
        b. firefighting resources are ordered through an Interagency Fire Center (beyond "pre-planned dispatch"); or,

c. at the request of the Participating Entity having jurisdiction by the local fire official on scene; or,
d. by decision of the State Forester after consultation with local authorities.

2. Delegation to FFSL means FFSL or its designee becomes the primary incident commander, in a unified command environment with the agency having jurisdiction.

C. Extended Attack

1. Upon Delegation a timestamp will be recorded via radio with the Interagency Fire Center servicing the incident.
2. Delegation documentation will be signed by all parties on the incident organizer and resource needs will be reevaluated in the transition from initial to extended attack.
3. This timestamp will also be reflected on the Crew Time Reports (CTR)/Shift Ticket of all resources that are not covered by a no-cost local agreement, such as an automatic aid system or other inter-local agreement.
4. At the time of the Delegation, a new CTR/Shift Ticket will be started for all resources to be used in the extended attack effort.
5. FFSL agrees to be financially responsible for the wildland fire suppression costs beyond IA if a Delegation occurs and the Participating Entity meets the terms of Code, Rule and this Agreement.

SECTION V: WILDLAND FIRE RESPONSE TRAINING, CERTIFICATION AND EQUIPMENT STANDARDS

A. Wildland Fire Response Training and Certification

1. FFSL prefers certification by the Utah Fire Certification Council as Wildland Firefighter I as certified by the Utah Fire and Rescue Academy (UFRA).
2. At a minimum, the Participating Entity will ensure that firefighters providing Initial Attack to wildland fire within the Participating Entity's jurisdiction will be trained in NWCG S130 Firefighter Training and S190 Introduction to Wildland Fire Behavior. FFSL also recommends S215 Wildland Urban Interface Firefighting Operations.
    a. This includes firefighters who are directly involved in the suppression of a wildland fire; firefighters on scene who have supervisory responsibility or decision-making authority over those involved in the suppression of a wildland fire; or individuals who have fire suppression responsibilities within close proximity of the fire perimeter.
    b. This does not include a person used as a courier, driver of a vehicle not used for fire suppression, or a person used in a non-tactical support or other peripheral function not in close proximity to a wildland fire.
    c. Upon the Delegation of Fire Management Authority, Firefighters not certified by the Utah Fire Certification Council as Wildland Firefighter I will be released from Initial Attack or reassigned to other firefighting duties.
    d. FFSL reserves the right to reevaluate these requirements.
3. The Participating Entity will ensure that firefighters providing Initial Attack to wildland fire within the Participating Entity's jurisdiction will complete RT130 Annual Fireline Safety Refresher Training prior to each statutory "closed fire season" as found in Utah Code § 65A-8-211(2017).
4. In order to be eligible for state reimbursement for wildland fire suppression response outside of its jurisdiction, a Participating Entity's firefighters and fire departments must follow the qualifications outlined in the FFSL Memorandum of Understanding.
   OR
   the County or participating entity fire departments for qualified resources used under this agreement on federal, state or out-of-county(or out-of-entity) fires pursuant to the terms and conditions outlined in the fire department MOU and rate agreement

B. Wildland Fire Response Equipment Standards

1. The Participating Entity will ensure that engines, water tenders, hand tools, and water handling equipment used for response to wildland fire on non-federal land within the Participating Entity's jurisdiction will meet the standard for the type of equipment as

determined by the National Wildfire Coordinating Group and/or as indicated in FFSL's annual Fire Department Manual.

SECTION VI: WILDLAND FIRE COST RECOVERY LEGAL ACTIONS

A. Pursuant to Utah Code § 65A-3-4, the Participating Entity agrees to initiate a civil action to recover suppression costs incurred by the Participating Entity and the State of Utah on non-federal land within the Participating Entity's jurisdiction for wildland fire caused negligently, recklessly, or intentionally.
B. Counsel for FFSL will provide assistance with these actions.
C. Any costs recovered may reduce the Participating Entity's Historic Fire Cost Average and Participation Commitment.

SECTION VII: BREACH OF THIS AGREEMENT

A. If, at the end of a fiscal year, FFSL determines that the Participating Entity has not complied with the terms of this agreement, including but not limited to, failing to comply with the Participation Commitment or failing to comply with the terms stated in Utah Code § 65A-8-203(4) (2017), the entity will be placed on Probation Status by FFSL and given notice of this decision, the reasons for this decision, and actions required to remove Probation Status.
A decision to place the Participating Entity on Probation Status may be appealed to the State Forester. The State Forester may conduct an investigation, hold an informal hearing, and/or request further information from the Participating Entity and/or the Division.
During Probation Status, the Participating Entity may continue to receive assistance as provided in this Cooperative Agreement, but the Participating Entity must come into compliance with the Cooperative Agreement by the end of the fiscal year.
If the Participating Entity comes into compliance with the Cooperative Agreement by the end of the first Probation Status fiscal year, the Probation Status shall be lifted.

1. If the reason for the Probation Status is that the Participating Entity has failed to fulfill its Participation Commitment during the previous fiscal year, the Participating Entity must fulfill the Participation Commitment for the previous year, as well as the Participation Commitment for the current fiscal year by the end of the fiscal year in order to have its probation status lifted.

    a. If during the first Probation Status year, the Participating Entity fulfills its Participation Commitment for the previous fiscal year, but not for the first Probation Status year, the Probation Status may be extended for a second fiscal year.

If during the second Probation Status year, the Participating Entity fails to fulfill the Participation Commitment for both the first and second Probation Status years, the Cooperative Agreement shall be revoked as specified in subsection VII(E) herein below.
Participation Commitment expenditures and actions shall be credited towards the outstanding obligation before being credited to the current obligation.

B. If the Participating Entity does not come into compliance with the terms of this Cooperative Agreement by the end of the first Probation Status fiscal year (or second Probation Status fiscal year if the non-compliance is failure to meet the Participation Commitment), this Cooperative Agreement shall be revoked pursuant to Utah Code § 65A-8-203(5)(b)(ii) (2017) and the entity shall not be eligible for assistance from the Wildland Fire Suppression Fund and shall be responsible for wildland fire suppression costs within its jurisdiction pursuant to Utah Code § 65A-8-203.2 (2017)

If a Participating Entity revokes this agreement or if FFSL revokes this agreement for cause, the participating entity shall only be allowed to enter into a new cooperative agreement pursuant to R652-121-600 (2017).

UTAH DIVISION OF FORESTRY, FIRE, AND STATE LANDS:

_____ _____
Authorized Signature Date

_____
Title

HEBER CITY :

_____ _____
Authorized Signature Date

_____
Title

APPROVED AS TO FORM:

_____
Assistant Attorney General

Utah Division of Forestry, Fire and State Lands

1594 West North Temple, Suite 3520
P.O. Box 145703
Salt Lake City, UT 84114-5703

FINANCIAL STATEMENT: WILDLAND FIRE PROGRAM PARTICIPATION COMMITMENT BETWEEN UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS and HEBER CITY

	Medium Risk Assessment	High Risk Assessment	Total
	$2548	$2271	$4818
Division's 10 year fire suppression cost average within the jurisdiction:			$0
Less carry over balance from previous year:			
Plus amount not met from previous year(s):			
		**Participation Commitment for 2017:	$4818

List below how the Participating Entity plans to meet the Participation Commitment total above. List the project, action or acquisition. Category (fuel mitigation, wildfire prevention, wildfire suppression capacity) Duration (how long will the project take to complete) Value this Year (estimated value to be claimed this year) All Projects-Actions or Acquisitions must be included in the approved Community Wildfire Preparedness Plan

Proposed Project, Action, or Acquisition	Category	Duration	Value this Year

Utah Division of Forestry, Fire and State Lands

Signature

Print Name and Title Date

Official Participating Entity Representative

Signature

Print Name and Title Date

**If Participation Commitment for 2017 is less than total Risk Assessment, municipality is eligible for discounted Participation Commitment based on its revenue.
Due to the Utah Division of Forestry, Fire and State Lands within 30 days of receipt.

Utah Division of Forestry, Fire and State Lands 1594 West North Temple, Suite 3520 P.O. Box 145703 Salt Lake City, UT 84114-5703			
Fire Suppression Cost 10 Year Average Calculations			
YEAR	**NORMAL FIRE SUPPRESSION COSTS (See Note 2)**	**TIMES INFLATION RATE FACTOR (See Note 3)**	**EQUALS ADJUSTED FIRE COSTS IN CONSTANT DOLLARS**
2006	$0	1.19	$0
2007	$0	1.16	$0
2008	$0	1.12	$0
2009	$0	1.12	$0
2010	$0	1.10	$0
2011	$0	1.07	$0
2012	$0	1.05	$0
2013	$0	1.03	$0
2014	$0	1.03	$0
2015	$0	1.02	$0
		TOTAL:	$0
		DIVIDED BY EIGHT YEARS	$0

Notice of obligations related to the decision to opt out of the Utah Statewide Wildland Fire Management System

By signing this document I acknowledge that the Utah Division of Forestry, Fire and State Lands (FFSL) has provided the County/Town/City of _____ Utah information regarding participation in the Utah Statewide Wildfire Protection Program under a cooperative agreement with FFSL. The County/Town/City of _____ chooses to opt out of entering into a cooperative agreement with FFSL and understands the financial implications of this decision as it relates to section 65A-8-203.2 shown below:

Utah Code: 65A-8-203.2. Billing a county or municipality not covered by a cooperative agreement -- Calculating cost of wildfire suppression.

(1) The division shall bill a county that is not covered by a cooperative agreement with the division, as described in Section 65A-8-203, for the cost of wildfire suppression within the jurisdiction of that county accrued by the state.

(2) The division shall bill a municipality that is not covered by a cooperative agreement with the division, as described in Section 65A-8-203, for the cost of wildfire suppression within the jurisdiction of that municipality accrued by the state.

(3) The cost of wildfire suppression to a county or municipality that is not covered by a cooperative agreement with the division, as described in Section 65A-8-203, shall be calculated by determining the number of acres burned within the borders of a county or municipality, dividing that number by the total number of acres burned by a wildfire, and multiplying the resulting percentage by the state's total cost of wildfire suppression for that wildfire.

(4) A county or municipality that receives a bill from the division, pursuant to this section, shall pay the bill, or make arrangements to pay the bill, within 90 days of receipt of the bill, subject to the county or municipality's right to appeal, as described in Subsection 65A-8-203(5)(b)(vi).

Must be signed by the Mayor of a Town or City or Chair of the County Commission or Council

_____

Print Name and Title

_____ _____

Signature **Date Signed**

_____ _____

FFSL Representative **Date Signed**

PARTICIPATION COMMITMENT ACTIONS
For Local Governments
(Suggested actions, not a conclusive or final list. Other actions will be added as appropriate.)

WILDFIRE PREVENTION
Activities directed at reducing the number of human-caused fires. ***(Goal: Fire-Adapted Communities)***

- Costs of wildfire prevention campaigns
- Costs of wildfire mitigation educational materials (defensible space, firewise landscaping etc)
- Costs of implementing Ready, Set, GO! program
- Law enforcement patrols to enforce fire restrictions and/or burn permit violations
- Volunteer hours for meetings and events that promote, plan or implement CWPPs
- Costs of wildfire prevention media campaigns/PSAs
- Costs of designing, producing and installing community awareness and/or wildfire prevention boards/displays

WILDFIRE MITIGATION (50% min)
Actions taken to reduce or eliminate risks to persons, property or natural resources. ***(Goal: Resilient Landscapes)***

- Costs of equipment and labor (including volunteer hours) used to reduce hazardous fuels in accordance with CWPP (*i.e. fuel breaks, prescribed fire, timber harvests and certain activities that support grazing*)
- Costs or volunteer value of equipment and labor toward ongoing maintenance of existing CWPP fuel reduction projects
- Volunteer hours toward removing hazardous fuels from community common areas identified in CWPPs
- Volunteer hours toward improving ingress/egress in community common areas identified in CWPPs
- Costs associated with community fuel reduction events (i.e. chipper days)
- Costs of vegetation management equipment

WILDFIRE PREPAREDNESS (25% max.)
Activities that lead to a safe, efficient and capable wildfire suppression response ***(Goal: Strong Initial Attack Capability)***

- Costs of improving wildland fire apparatus, communication or support
- Costs of improving or creating additional ingress/egress into Wildland Urban Interface (WUI) areas identified in CWPPs
- Costs of improving or increasing firefighter access to secondary water systems through hydrants, tanks or drafting sites
- Actual costs for providing wildfire suppression training to fire department and/or emergency management personnel
- Volunteer hours spent in training for wildland fire suppression
- Costs of wildland-specific Personal Protective Equipment (PPE)
- Costs of producing and installing road signs and address markers (including evacuation routes) as part of a CWPP

- Costs of certifying bulldozer operators
- Costs associated with enforcement of WUI code
- Costs associated with installing/maintaining helicopter dip sites
- Costs of inspecting resident defensible space work to certify for individual tax incentives
- Costs of producing and/or updating city emergency response plans that address CWPPs
- Costs of land-use planning that support objectives of CWPPs
- Costs supporting the development of Community Wildfire Protection Plans (CWPPs)
- Costs associated with gaining "Firewise Community" recognition

Activities that DO NOT qualify:

- Any activity funded by other state or state-administered federal funds
- Any previously-matched prevention/preparedness
- Costs of state or federally-provided trainings
- Costs of initial attack suppression of wildfires
- Costs of improving culinary water systems
- Costs to improve individual structures
- Costs of existing county employees or programs including weed departments

Rev: 10/29/2015

FREQUENTLY ASKED QUESTIONS ON THE POLICY ADDRESSING UTAH'S CATASTROPHIC WILDFIRE REDUCTION STRATEGY (CatFire)

Q: Why is this change being proposed?
A: The Utah State Legislature and Governor Herbert have both concurred in directing the Division of Forestry, Fire & State Lands to develop a Comprehensive Statewide Wildland Fire Prevention, Preparedness and Suppression Policy. In addition, state statute contains potentially conflicting direction; currently, there is no way for the State of Utah to assist municipal governments financially. The policy change will enable the State to include all jurisdictions. With trends in wildfire costs, the current practices are not sustainable.

Q: Is participation mandatory or compulsory?
A: Participation is not required. Local governments are encouraged to learn the potential benefits and decide if participation is right for them. The system is opt-in.

Q:What is the "Participation Match" (PM)?
A: The PM is a calculated dollar amount that each city, town or county is responsible for meeting in order to fulfill their responsibility and receive State coverage for the payment of catastrophic wildfires that occur within their boundaries.

Q: Does the city/county pay the PM to the State?
A: No. The State does not require any payment of the PM. Participating governments conduct *prevention, preparedness and mitigation* actions and track the eligible expenses and provide documentation to satisfy their PM amount.

Q: How is the Participation Match calculated?
A: Two factors are used to calculate the PM: 1) Historic Wildfire Cost Average over 10 years with the highest and lowest cost years discarded. 2) Actual wildfire risk based on a wide-ranging and inclusive analysis using the State's Risk Assessment Model.

Q: How can I reduce my Participation Match?
A: The types of activities you choose to carry out in satisfying your PM can actually cause your match amount to decline over time. As *prevention, preparedness and mitigation* work is done, your score in the Risk Assessment Model will go down and as your costs go down, your Historic Wildfire Cost Average will also decline.

Q: What are my city/town/county's responsibilities when it comes to wildfire suppression?
A: All participating local governments are required to conduct initial attack, suppressing wildfires as aggressively as possible. As wildland fire training and apparatus are enhanced, your percent of wildfires caught in initial attack will also go up. This will result in a decline in Historic Wildfire Cost Average. Once a wildfire has outpaced local capacity, the fire costs can be delegated to the State.

Q: Who pays for initial attack? Can it be counted toward a city/town/county's PM?
A: The city, town or county pays for its own initial attack along with its other emergency response costs. Initial attack costs cannot be counted toward PM. As part of participation, cities, towns and counties DO NOT PAY FOR ANY AIRCRAFT even if the aircraft is used in initial attack.

Q: When is a wildfire considered to be beyond "Initial Attack"?
A: There are 4 ways for a wildfire to transitioned into a delegation of financial responsibility to the State:

1. If the local government(s) decide to transition out of initial attack
2. If wildfire suppression resources are ordered through one of the Interagency Fire Centers
3. If a wildfire enters federally/state-managed land.
4. At the discretion of the State Forester

Q: How does this impact my city/town/county's ability to participate in decision making during a wildfire?
A: Unified command will be established and local governments will be a valued partner in deciding objectives and strategies for wildfire suppression even after a delegation of financial authority has been executed.

Q: Once participation begins, can a city/town/county discontinue participation?
A: A participating government agency can discontinue participation at the conclusion of the current agreement year.

Q: How is this policy change going to affect my city/town/county's wildfire costs?
A: If the right type of work is done to satisfy the local government's PM, wildfire risk WILL go down. With public cooperation, fewer human-caused wildfires will occur and initial attack will be more effective. These two results drive down risk which (all other factors remaining equal) will in turn cause the Risk Assessment calculation to decrease.

Additional questions can be directed to: 801-538-5555

MEMORANDUM OF UNDERSTANDING AGREEMENT

Between

Heber City
75 N Main St
Heber City UT 84032

Midway City
75 N 100 W
Midway UT 84049

Town of Interlaken
Po Box 1256
Midway UT 84049

Charleston Town
3454 W 3400 SO
Heber UT 84032

Town of Daniel
981 W Valley View Rd
Daniel UT 84032

HIDEOUT
10860 N Hideout Trail
Hideout UT 84036

Independence Town
Center Creek UT 84032

And

Wasatch County Fire District
10420 N Jordanelle BLVD
Heber City, UT 84032

And

Wasatch County

25 North Main ST

Heber City, UT 84032

THIS MEMORANDUM OF UNDERSTANDING AGREEMENT (the "Agreement") is made and entered into as of this_____day of June, 2017 by and between: Heber City, Midway City, InterLaken Town,Charleston Town, Town of Daniel, Hidout, and Independence Town, their Agents, Officers, Representatives, and Successors (hereinafter called "City"), Wasatch County Fire District, a Service District organized under the laws of the State Utah, having its general offices at 10420 N Jordanelle Blvd, Heber City UT 84032, its Agents, Officers, Representatives and Successors (hereinafter called "District"), and Wasatch County, having its general offices at 25 N Main ST, Heber City, UT 84032 (hereinafter called the "County").

RECITALS

WHEREAS, City and County have entered into Cooperative Agreements with The Utah Division of Forestry, Fire and State Land hereafter referred to as "The Cooperative Agreement"; and,

WHEREAS, City and County have agreed to meet a Participation Commitment and provide Initial Attack for wildland fire within the boundaries of City and the unincorporated areas of County; and,

WHEREAS, City and County have agreed that District provide fire protection services within the boundaries of City and the unincorporated areas of District and District has taxing authority and does tax the property owners within the boundaries of City and District in order to provide fire protection;

NOW, THEREFORE, in consideration of the promises, covenants and agreements herein contained and the requirements City and County have undertaken in The Cooperative Agreement, the parties do hereby agree to the terms and conditions as herein set forth. The following provisions apply to this Agreement:

1. District hereby agrees:

   a. To provide the resources to comply with Section IV of the Cooperative Agreement including the Initial attack and District personnel necessary to act as the local fire official on scene to make the determination to transfer Fire Management Authority.

b. To provide the resources necessary to comply with Section V: Wildland Fire Response Training, Certification and Equipment Standards of The Cooperative Agreement. The requirements of Section V are delegated to District under this Agreement.

c. To cooperate with City and County to comply with the Participation Commitment found in Section III of the Cooperation Agreement by assisting with prevention, preparedness, and mitigation actions and necessary documentation of such prevention, preparedness, and mitigation actions in order to prepare the Annual Participation Report. (See Exhibit "A")

2. CITY hereby agrees:

a. To annually budget a Wildlands Assessment item to help comply with the participation commitment statement.

b. To adopt the Community Wildfire Preparedness Plan in accordance with The Cooperative Agreement.

c. To provide the resources necessary either through direct expenditure or in kind activities together with District for the prevention, preparedness, and mitigation actions necessary to comply with the Participation Commitment. (See Exhibit "A")

3. COUNTY hereby agrees:

a. To annually budget a Wildlands Assessment Item to help comply with the participation commitment statement amount.

b. To adopt the Community Wildfire Preparedness Plan in accordance with The Cooperative Agreement.

c. To provide the resources necessary either through direct expenditure or in kind activities together with District for the prevention, preparedness, and mitigation actions necessary to comply with the Participation Commitment. (See Exhibit "A")

4. NOTICE.

Any notice, communication or statement required or permitted to be given hereunder shall be deemed to have been sufficiently given when delivered in person or by mail, postage prepaid, or by fax machine addressed as follows:

CITY:

Heber City
75 N Main St
Heber UT 84032
Telephone# (435) 654-0757

Midway City
75 N 100 W
Midway UT 84049
Telephone # (435) 654-3223

Interlaken Town
PO Box 1256
Midway UT 84049
Telephone# (435) 565-3812

Charleston Town
3454 W 3400 So
Heber City UT 84032
Telephone# (435) 654-7177

Town of Daniel
981 W Valley View Rd
Daniel UT 84032
Telephone# (435) 654-5062

Hideout
10860 N Hideout Trail
Hideout UT 84036
Telephone# (435) 659-4739

Independence Town
Center Creek UT 84032
Telephone# (435) 901-0805

DISTRICT: Wasatch County Fire
10240 N Jordanelle BLVD
Heber UT 84032
Telephone#(435) 940-9636

COUNTY: Wasatch County
25 N Main St
Heber UT 84032
Telephone#(435) 657-3180

or at such other address as either party shall hereafter, in writing, direct.

5. TERMINATION/SUSPENSION.

This Agreement shall commence upon execution by the parties hereto and shall continue thereafter until termination of this Agreement by the parties or upon termination of the Cooperative Agreement or a successor Cooperative Agreement, whichever occurs first, and as provided hereinafter.

6. AMENDMENT/ASSIGNMENT.

This Agreement may be amended or assigned only by the written agreement of the parties.

7. PERIOD OF AGREEMENT.

This Agreement shall commence upon signature by each party's duly authorized representative(s) and is effective as of the date noted above. This Agreement will continue in full force and effect until such time as the parties terminate this Agreement under Paragraph 5 above.

IN WITNESS WHEREOF, City, District and County have each caused this Agreement to be executed by its duly authorized representative(s) on the day and year set forth below effective as of the date of the last signature.

Heber CITY
Signature: By_____
Printed Name:_____
Title:_____
Date:_____

ATTEST:_____
Printed Name:_____
Title:_____
Date:_____

Midway City

Signature: By_____
Printed Name:_____
Title:_____
Date:_____

ATTEST:_____
Printed Name:_____
Title:_____
Date: _____

Interlaken Town

Signature: By_____
Printed Name:_____
Title:_____
Date:_____

ATTEST:_____
Printed Name:_____
Title:_____
Date:_____

Charleston Town

Signature: By_____
Printed Name:_____
Title:_____
Date:_____

ATTEST:_____
Printed Name:_____
Title:_____
Date: _____

Town of Daniel

Signature: By_____
Printed Name: _____
Title: _____
Date: _____

ATTEST:_____
Printed Name:_____
Title:_____
Date:_____

Hideout

Signature: By_____
Printed Name:_____
Title:_____
Date: _____

ATTEST:_____
Printed Name:_____
Title:_____
Date: _____

Independence Town

Signature: By_____
Printed Name:_____
Title:_____
Date: _____

ATTEST:_____
Printed Name:_____
Title:_____
Date: _____

WASATCH COUNTY

Signature: _____
Printed Name: _____
Title: _____
Date: _____

ATTEST: _____
Printed Name: _____
Title: _____
Date: _____

WASATCH COUNTY FIRE DISTRICT

Signature: _____
Printed Name: _____
Title: _____
Date: _____

ATTEST: _____
Printed Name: _____
Title: _____
Date: _____

EXHIBIT A:
Agreed Duties
(Re: Cooperative Agreement with Utah Division of Forestry, Fire and State Lands)

FIRE DISTRICT	CITIES	COUNTY
Initial Attack and Associated Costs		
Training & Equipment		
Community Awareness (prevention)	Community Awareness (prevention)	Community Awareness (prevention)
	Mowing weeds, Cutting trees, clean-up (Mitigation)	Cutting trees, Mowing weeds clean-up (Mitigation)
	Community Wildfire Preparedness Plan	Community Wildfire Preparedness Plan

Outlook

Re: Urgent Notice - Cooperative Wildfire System - No Agreement

From Heidi Franco <hfranco@Heberut.gov>
Date Thu 6/4/2026 2:51 PM
To Joseph Anderson <randerson3@utah.gov>; City Council <citycouncil@heberut.gov>; Russell Funk <rfunk@Heberut.gov>
Cc Mike Eriksson <mikeeriksson@utah.gov>; Troy Morgan <troymorgan@utah.gov>; Matt Brower <mbrower@Heberut.gov>; Anthony Kohler <tkohler@Heberut.gov>

Thank you, Mr. Anderson.
We appreciate your notification.

City staff will be reaching out soon on this.

Thank you again,

Heidi Franco

Transparency & Accountability to Citizens

Heidi Franco
Mayor

Heber City
75 North Main Street, Heber City, UT 84032
Phone: 435-671-8244
Email: hfranco@Heberut.gov

PRIVACY NOTICE:

This e-mail, including attachments, may include privileged, confidential and/or proprietary information, and may be used only by the person or entity to which it is addressed. If the reader of this e-mail is not the intended recipient or his or her authorized agent, the reader is hereby notified that any dissemination, distribution or copying of this e-mail is prohibited. If you have received this e-mail in error, please notify the sender by replying to this message and delete this e-mail immediately

From: Joseph Anderson <randerson3@utah.gov>
Sent: Thursday, June 4, 2026 6:50 AM
To: City Council <citycouncil@heberut.gov>; Heidi Franco <hfranco@Heberut.gov>
Cc: Mike Eriksson <mikeeriksson@utah.gov>; Troy Morgan <troymorgan@utah.gov>
Subject: (EXTERNAL) Urgent Notice - Cooperative Wildfire System - No Agreement

Caution: This is an EXTERNAL email. Please take care when clicking links or opening attachments. When in doubt, contact your IT Department

This sender is trusted.

Heber City,

As of today Heber City is not under a cooperative agreement to participate in the Cooperative Wildfire System. See the attached notice for information on the potential financial implications of non-participation.

Your county fire warden and area manager are cc'd if you need assistance with signing the CWS agreement.

Best,

Joseph Anderson
Statewide Wildfire Risk Reduction Programs Manager

385-786-5588 | randerson3@utah.gov

Forestry, Fire & State Lands

Heber City Council Staff Report

MEETING DATE: 6/16/2026
SUBJECT: Heber City Airport Taxilane Emergency Change Order Authorization
RESPONSIBLE: Adam Bunker
DEPARTMENT: Administrative
STRATEGIC RELEVANCE:

SUMMARY

During construction of the Hangar Row pavement rehabilitation project (Pavement Rehabilitation — Ramp/Taxiway by Hangar Row, ACIP Funding Year 2026, Airport ID HCR), the project contractor encountered subgrade soil that does not have the structural integrity to support paving equipment or to carry the finished pavement section. To complete the contracted work, the soft subgrade must be remediated, and the recommended remedy is cement-treated subgrade. Staff executed a change order to keep work progressing.
The Utah Department of Transportation (UDOT) Aeronautics Division approved a supplemental grant for this additional work on a 50/50 (State/Local) cost-share basis, up to $200,000 — meaning the State will fund up to $100,000 and the City's share will not exceed $100,000, and may be lower.
Staff approved the change order last week under section 3.14.060 of the city municipal code due to potential serious legal liability and circumstances which are likely to cause the city financial harm or loss. This finding stems from project delays which continue to prevent hanger row owners from accessing and utilizing their hangars and aircraft. The project has already exceeded its initial scope of time and further delays will only continue to aggregate potential financial harm and loss.
Section 3.14.060 C requires the city manager to notify the city council of any emergency contract which would have normally required their approval at the next regularly scheduled city council meeting.
This report documents and communicates the emergency change order to the Council.

RECOMMENDATION

During construction of the Hangar Row pavement rehabilitation project (Pavement Rehabilitation — Ramp/Taxiway by Hangar Row, ACIP Funding Year 2026, Airport ID HCR), the project contractor encountered subgrade soil that does not have the structural integrity to support paving equipment or to carry the finished pavement section. To complete the contracted work, the soft subgrade must be remediated, and the recommended remedy is cement-treated subgrade. Staff executed a change order to keep work progressing.
The Utah Department of Transportation (UDOT) Aeronautics Division approved a supplemental grant

for this additional work on a 50/50 (State/Local) cost-share basis, up to $200,000 — meaning the State will fund up to $100,000 and the City's share will not exceed $100,000, and may be lower.
Staff approved the change order last week under section 3.14.060 of the city municipal code due to potential serious legal liability and circumstances which are likely to cause the city financial harm or loss. This finding stems from project delays which continue to prevent hanger row owners from accessing and utilizing their hangars and aircraft. The project has already exceeded its initial scope of time and further delays will only continue to aggregate potential financial harm and loss.
Section 3.14.060 C requires the city manager to notify the city council of any emergency contract which would have normally required their approval at the next regularly scheduled city council meeting.
This report documents and communicates the emergency change order to the Council.

BACKGROUND

The Hangar Row pavement rehabilitation is a Fiscal Year 2026 Airport Capital Improvement Program (ACIP) project at Heber Valley Airport, described in the State ACIP scoping estimate as "Pavement Rehabilitation — Ramp/Taxiway by Hangar Row." The project was approved with a UDOT Aeronautics state grant of $559,057 and a local (City) match of $62,118, for a total approved budget of $621,175, at a 90/10 (State/Local) cost share.
Costs committed within the approved budget to date include awarded construction ($338,025), engineering and administration fees ($90,372), construction inspection fees ($34,767), pavement cores ($1,390), and a previously authorized soft-areas allocation (Request #1, $100,000 at 90/10), for a sub-total of $564,554. This left $56,621 remaining within the currently approved budget prior to the subgrade discovery described below.

DISCUSSION

Subgrade Condition
As construction progressed, it was determined that the substrate beneath the pavement section lacks the integrity to support paving equipment. Continuing to pave over the existing subgrade would compromise both the construction operation and the long-term performance of the finished pavement. A geotechnical consultant collected subgrade samples and is performing the testing necessary to confirm the appropriate remediation approach, with a formal report and recommendations anticipated shortly. The current expectation is that the report will confirm cement-treated subgrade as a viable and appropriate remedy.
Remediation and Contractor Coordination
Assuming the geotechnical report confirms cement-treated subgrade, the work will be performed by the project contractor (Geneva), which is already mobilized on site, through its cement-treatment subcontractor. The contractor has indicated potential subcontractor availability in the near term; however, neither the contractor nor the subcontractor will commit to a schedule until formal direction is issued. Staff's plan is to move quickly upon receipt of the geotechnical report to finalize the change order, after which a schedule for paving and reopening the taxilane can be established.
Supplemental Grant Approval
Because the subgrade remediation is additional, unforeseen work beyond the originally scoped project, Staff requested supplemental grant assistance from UDOT Aeronautics. UDOT approved a supplemental award for this work on a 50/50 cost-share basis, up to $200,000 in total project cost —

with the State funding up to $100,000 and the City responsible for up to $100,000. The City's actual share is expected to be lower than the $100,000 ceiling, as reflected in the Fiscal Impact below.

FISCAL IMPACT

The change order adds up to $200,000 to the project, shared 50% State / 50% City. Of that amount, $56,621 is absorbed by funds remaining in the currently approved budget. The balance — approximately $143,379 — is recognized through Budget Amendment #1: approximately $49,042 in additional UDOT grant funds and approximately $94,337 in additional local match. The City's incremental cash share remains within the $100,000 ceiling established by the State's 50/50 award.

	State (UDOT)	Local (City)	Total
Current approved grant	$559,057	$62,118	$621,175
Budget Amendment #1 (increase)	~$49,042	~$94,337	~$143,379
Amended project total	**$608,099**	**$156,455**	**$764,554**

Notes: Figures are approximate and reflect the recalculation of state and local shares across the amended project total ($764,554). The City's incremental local appropriation of ~$94,337 is below the $100,000 cap (50% of $200,000) because ~$5,663 of previously budgeted local match remained available within the approved budget. Final amounts will be reconciled against the executed change order and the geotechnical scope of work.

The subgrade remediation is being performed as a change order to the existing, competitively procured construction contract for this project. The additional work is integral to and inseparable from the awarded scope and must be performed by the mobilized contractor to complete the contracted pavement section. Staff's position is that the change order is exempt from the competitive bidding requirements of HCMC Chapter 3.14 under the following provisions of §3.14.060:

- **§3.14.060(A) — Grant compliance.** Applying the competitive bidding requirements to this additional work would prevent the City from complying with the terms and conditions of the UDOT Aeronautics ACIP grant, which funds and governs the project.
- **§3.14.060(B) — State-funded purchases.** The work is made with state grant funds, and the applicable State ACIP grant requirements govern its procurement. Following this chapter in a manner that conflicts with those requirements would jeopardize the use of the state funds, so the conflicting provisions of this chapter do not apply.
- **§3.14.060(C) — Circumstances of financial harm.** The subgrade deficiency was discovered mid-construction with the contractor mobilized. Re-bidding the remediation would require demobilization and remobilization, schedule delay, and prolonged closure of the taxilane — circumstances likely to cause the City financial harm and loss, the gravity of which outweighs the benefits of competitive bidding in the usual manner.

Under §3.14.060, the City Manager is the official designated to determine whether a particular contract or purchase is exempt. This report documents the basis for that determination and the action taken by Staff in reliance on it.

CONCLUSION

ALTERNATIVES

The Council may consider the following alternatives:
- Approve Budget Amendment #1 and ratify the change order, as recommended by Staff.
- Approve with modifications, such as directing Staff to pursue additional cost reductions within the State's 50/50 framework before the change order is finalized.
- Decline or defer action. This alternative would halt the project mid-construction, risk loss of the construction window and supplemental grant funding, prolong the taxilane closure, and likely increase total cost through demobilization. It is not recommended by Staff.

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to approve Budget Amendment #1 for the Hangar Row Pavement Rehabilitation project, recognizing approximately $49,042 in additional UDOT Aeronautics grant funds and approximately $94,337 in additional local match, and to ratify the change order accepted by Staff for cement-treated subgrade remediation, finding the change order exempt from competitive bidding under Heber City Municipal Code §3.14.060

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue

I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Adam Bunker, Airport Manager

EXHIBITS

None

Heber City Council Staff Report

MEETING DATE: 6/16/2026

SUBJECT: First Addendum to Wasatch Trails Foundation Trail Maintenance Agreement

RESPONSIBLE: Jeremy Cook

DEPARTMENT: Legal

STRATEGIC RELEVANCE:

SUMMARY

The Wasatch Trails Foundation has requested that they be allowed the trail maintenance funds provided for in the agreement anywhere in Wasatch County, and the addendum makes the requested change.

RECOMMENDATION

Approval

BACKGROUND

DISCUSSION

FISCAL IMPACT

None

CONCLUSION

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Legal
Staff member: Jeremy Cook, City Attorney

EXHIBITS

1. First Addendum Trail Maintenance Agreement- Wasatch Trails Foundation

FIRST ADDENDUM TO HEBER CITY SOFT TRAIL MAINTENANCE AGREEMENT

[Wasatch Trails Foundation]

THIS FIRST ADDENDUM TO HEBER CITY SOFT TRAIL MAINTENANCE AGREEMENT is entered into as of this 16th day of June, 2026, by and between Heber City (the "**City**"), and the Wasatch Trails Foundation (the "**Foundation**").

RECITALS:

WHEREAS, on April 17, 2025, the parties entered into the Heber City Soft Trail Maintenance Agreement (the "Agreement"); and

WHEREAS, under the Agreement, the City must make two payments, the first of which is complete; and

WHEREAS, the Agreement requires that all the funding provide to the Foundation under the Agreement be used to maintain trails in Heber City; and

WHEREAS, the City desires to allow Foundation to use the funds on any trails within Wasatch County.

NOW, THEREFORE, the ***Foundation*** and the ***City*** hereby amend the Agreement as follows:

1. Any provision within the Agreement limiting the use of the funds to Heber City shall be amended to allow use of the funds anywhere within Wasatch County.

2. City's second and final payment to Foundation will take place in Fiscal Year 2027.

HEBER CITY

BY: _____
Mayor Heidi Franco

ATTEST:

_____
Heber City Recorder

The Wasatch Trails Foundation

_____
Signature

Print Name: _____

Title: _____

Heber City Council Staff Report

MEETING DATE: 6/16/2026
SUBJECT: FY 2026 Fraud Risk Assessment
RESPONSIBLE: Sara Nagel
DEPARTMENT: Finance
STRATEGIC RELEVANCE: Required Communication to City Council

SUMMARY

The Office of the State Auditor requires Staff to complete and certify the attached Fraud Risk Assessment and present it to City Council by the end of the fiscal year. The assessment allows Staff to evaluate whether the City can improve internal control functions to reduce the risk of fraud and abuse.

RECOMMENDATION

BACKGROUND

As of June 2020, the Office of the State Auditor requires the fraud risk assessment be completed and certified and presented to the governing board by the end of each fiscal year. The assessment must then be submitted to the State Auditor's Office within six months of the fiscal year end.

DISCUSSION

The Office of the State Auditor regularly receives complaints of fraud or abuse by local government officials or employees. The Office is also aware of internal investigations performed by local governments of their own officials and employees. Some of these situations receive significant media coverage, while others are resolved with less publicity. In either case, the level of concern by the public and State and local officials is substantial. Many have asked the Office for more direction on how to prevent such occurrences in the future. The program outlined in the Fraud Risk Assessment Implementation guide is designed to help measure and reduce the risk of undetected fraud, abuse, and noncompliance in local governments of all types and sizes. This assessment is a starting point, and the state auditor hopes that local governments will add to and adapt to improve how they manage their internal controls.
On the fraud risk assessment scale from 200 (high risk) to 395 (very low risk), the City scored 370, very low risk.

Please note that the City utilizes the State's fraud hotline to satisfy recommendation #7.

FISCAL IMPACT

CONCLUSION

The City’s fraud risk assessment score indicates the City’s risk of fraud and abuse is very low, but not zero. Although no entity can fully eliminate the risk of fraud, Staff will continue to look for opportunities to reduce the risk the City's exposure.

ALTERNATIVES

POTENTIAL MOTIONS

ACCOUNTABILITY

Department: Finance
Staff member: Sara Nagel, Finance Manager

EXHIBITS

1. FY26 Fraud-Risk-Assessment_Signed

Fraud Risk Assessment

Continued

*Total Points Earned: 370/395 *Risk Level: Very Low (> 355) | Low (316-355) | Moderate (276-315) | High (200-275) | Very High (< 200)

	Yes	Pts
1. Does the entity have adequate basic separation of duties or mitigating controls as outlined in the attached Basic Separation of Duties Questionnaire?	X	200
2. Does the entity have governing body adopted written policies in the following areas:		
a. Conflict of interest?	X	5
b. Procurement?	X	5
c. Ethical behavior?	X	5
d. Reporting fraud and abuse?		5
e. Travel?	X	5
f. Credit/Purchasing cards (where applicable)?	X	5
g. Personal use of entity assets?	X	5
h. IT and computer security?	X	5
i. Cash receipting and deposits?	X	5
3. Does the entity have a licensed or certified (CPA, CGFM, CMA, CIA, CFE, CGAP, CPFO) expert as part of its management team?	X	20
a. Do any members of the management team have at least a bachelor's degree in accounting?	X	10
4. Are employees and elected officials required to annually commit in writing to abide by a statement of ethical behavior?	X	20
5. Have all governing body members completed entity specific (District Board Member Training for local/special service districts & interlocal entities, Introductory Training for Municipal Officials for cities & towns, etc.) online training (training.auditor.utah.gov) within four years of term appointment/election date?	X	20
6. Regardless of license or formal education, does at least one member of the management team receive at least 40 hours of formal training related to accounting, budgeting, or other financial areas each year?	X	20
7. Does the entity have or promote a fraud hotline?	X	20
8. Does the entity have a formal internal audit function?		20
9. Does the entity have a formal audit committee?	X	20

*Entity Name: Heber City Corporation

*Completed for Fiscal Year Ending: June 30, 2026 *Completion Date: June 1, 2026

*CAO Name: Matt Brower *CFO Name: Sara Nagel

*CAO Signature: *CFO Signature:

*Required

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Main Street Plaza Concept Design & Scope of Work for Final Drawings
RESPONSIBLE:	Tony Kohler, Lars Erickson
DEPARTMENT:	Planning
STRATEGIC RELEVANCE:	Community Development

SUMMARY

Terracon, the City's park consultant, presented three alternate designs for the Trailhead Plaza (aka Main Street Park) to the public and presented the resulting preferred alternative to Council on May 19. May 19 provided Council with rushed feedback to Terracon. Terracon will present the modified preferred alternative to Council on June 16.

Policy Questions for Council include:

- Does the Preferred Alternative represent the vision of the City for the plaza/park?

RECOMMENDATION

Staff recommends Council review the draft Preferred Alternative, and if ready, approve the preferred alternative.

BACKGROUND

Terracon was hlred by Heber City to take the Roger Brooks plan for Trailhead Plaza and present 3 alternatives to the public. From the public feedback, Terracon is scheduled to develop a preferred alternative from which Terracon will develop final construction plans. The City hosted an online survey from February 18 through March 13 and held 1) an open house at the Public Safety Building on February 21 from 11 am to 2 pm; 2) an open house at the Wasatch County Recreation Center on Thursday February 26 from 10 am to 1 pm; and 3) an open house at JR Smith Elementary School on Thursday February 26 from 4 pm to 7 pm. The attached Power Point Presentation summarizes the feedback received from the public in this process. Public notice of the open houses was provided in the City Newsletter, flyers, presentations to Council, A-frame signs placed around the community, social media and project websites. 344 online responses were received along with 56 paper surveys. 92 people attended the 3 open houses.

Council reviewed the draft Preferred Alternative on May 19 and provided feedback to Terracon for amendments.

DISCUSSION

The next phase in finalizing the design of the plaza involves the development of a Preferred Alternative. June 16 is scheduled for the presentation of the Preferred Alternative.

FISCAL IMPACT

Fiscal impact will vary based upon the adopted options in the Preferred Alternative.

CONCLUSION

The public outreach process provided some of the design tenets for development of the Preferred Alternative.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Planning
Staff member: Tony Kohler, Community Development Director

EXHIBITS

1. 260616_HCTP_PLAZA Preferred Plan

TRAILHEAD PLAZA DESIGN

Preferred Master Plan

HEART OF THE WASATCH BACK

HEBER CITY

EST 1889

06.16.2026

Terracon

Explore with us

PRESENTING

Lars Erickson – Project Manager
Dave Harris – Principal in Charge

PREFERRED MASTER PLAN APPROACH

- Priority Plaza Elements:
  - Less Pavement, More Lawn and Shade
  - Legacy Trees, Seating
  - Upgraded Restrooms
  - Flexible Gathering Areas, Pavilion
  - Improved Playground Experience, All Abilities
  - Preserve monument and park heritage
- Integrate Feedback to Consolidate Improvements to South
  - Implementation Scope
  - Align & Clarify Path Forward
- Skating Ribbon and Retail
  - Planned Locations
  - Phased Approach If Needed

EXISTING MASTER PLAN

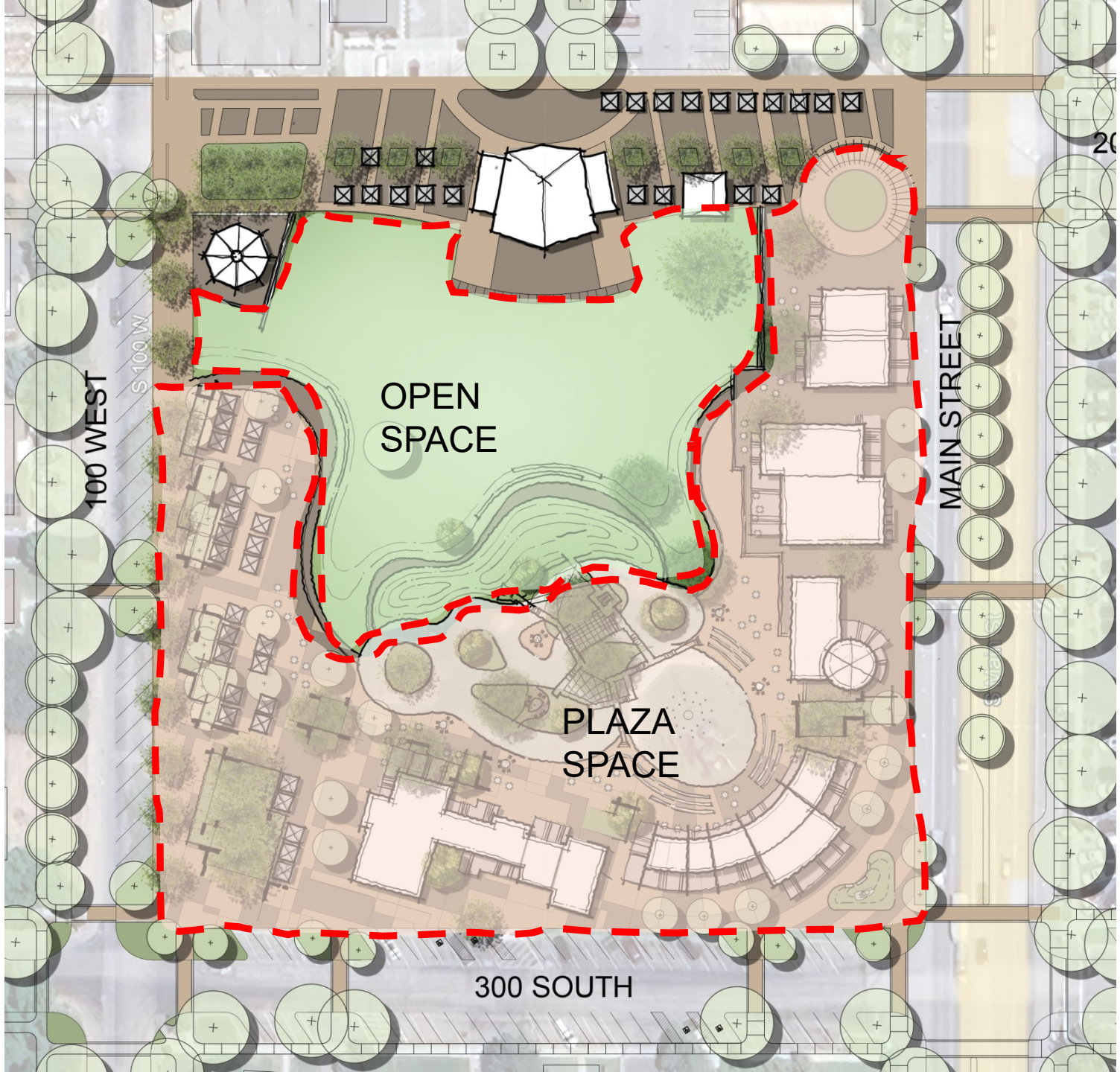
PREFERRED DESIGN
06/16/26

ENVISION CENTRAL HEBER

MASTER PLAN - ANTICIPATED ROI/PROGRAMMING

100
90
80
70
60
50
40
30
20
10

TRAILHEAD PLAZA DIAGRAM 1



PREFERRED DESIGN
06/16/26

ENVISION CENTRAL HEBER

OPEN
SPACE
PLAZA
SPACE

OPEN
SPACE
PLAZA
SPACE

PREFERRED MASTER PLAN

MASTER PLAN - ANTICIPATED ROI/PROGRAMMING

100
90
80
70
60
50
40
30
20
10

PREFERRED DESIGN
06/16/26

ENVISION CENTRAL HEBER

SCHEDULE

- NOTICE TO PROCEED – JULY 2026
- RFP for CMGC CONTRACTOR
- SCHEMATIC DESIGN (30% Milestone) – July-September 2026
- DOCUMENTATION – September 2026 – March 2027
  - Design Development (60% Milestone)
  - Construction Documents (90% & 100% Milestone
- CONSTRUCTION – March 2027 to TBD

COUNCIL DISCUSSION

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Resolution 2026-15: A Resolution Adopting the Heber Valley Airport Non-Revisionary Form Lease
RESPONSIBLE:	Matt Brower, Jeremy Cook
DEPARTMENT:	Administrative
STRATEGIC RELEVANCE:	Necessary Administrative Item

SUMMARY

On June 10, 2026, staff presented the final draft of the Heber Valley Airport's Non-Reversionary Ground Lease Agreement to the Airport Advisory Board (AAB). The AAB approved the form lease with modifications. This finalized document reflects a collaborative effort by legal counsel, city staff, and the board to balance hangar owner interests with airport sponsor needs. Crucially, the lease provides an effective tool to maintain FAA grant assurances and fund local sponsor matches required to execute the Airport Master Plan and Airport Layout Plan (ALP).

RECOMMENDATION

Staff recommends approval of Resolution 2026-14 as presented and adopted by the AAB.

BACKGROUND

An airport non-reversionary form lease is a standardized template (form lease) used by an airport sponsor to rent land to a tenant, with a specific clause stating that any hangar or structure built by the tenant remains their private property when the lease expires. The process to update the airport's form lease began on November 6, 2025, when the City Council adopted Resolution 2025-19. In doing so, the Council requested that the finalized lease be returned to them for final review and approval. Subsequently, the Airport Advisory Board (AAB) held a series of meetings through the winter and spring to review the document, incorporate staff feedback, and recommend revisions.

DISCUSSION

The revised form lease currently under consideration includes several key updates from the version adopted on November 6, 2025:
1) In Section II A, the standard term was changed from twenty (20) years to five (5) years.
2) In Section II B, two major updates were made. First, "fiscal sustainability" was added as a metric for determining if a hangar owner qualifies to remain past their lease expiration. Second, the language regarding the city's approval of a new term was strengthened by changing "may" to "shall," making the approval mandatory rather than optional.
3) In Section IV G, a Lease Origination Fee was added to the document. The fee is intended to be a one-time assessment paid by hangar owners interested in term extension beyond the standard term of five (5) years. Hangar owners wishing for a term extension can pay the lease organization fee to extend the term by up to twenty-five years (25), for a total term of thirty (30) years (standard term plus term extension). The methodology for calculating the term extension is the per square foot renewal fee, initially established at .60 cents per square foot and increased annually by the Mountain Plains CPI, multiplied by the square footage of the structure, multiplied by the term in excess of five (five) years. The methodology was created to facilitate ease in understanding, remove potential conflicts, and reduce cost of implementation.
4) In Section XVIII, the Dispute Resolution terms were changed to more closely align with established state resolution practices.
5) In Section XIX G, language pertaining to transfer to affiliates was added and to establish that transfers must be a direct subsidiary and that the city must be notified of such a transfer within fifteen (15) days.
6) In Section XXXV, attorney fees language was added establishing that the prevailing Party shall be entitled to recover attorney's fees, expert-witness costs, and court costs.

FISCAL IMPACT

A fiscal analysis of the proposed Lease Organization Fee evaluated all airport hangars with leases expiring before the 2034 Winter Olympics. The city's projected new revenue ranges from $1,686,000 to $2,194,710. This variance accounts for minor discrepancies in precise hangar dimensions and assumes all current owners will request 25-year term extensions. A copy of the fiscal analysis is attached to this staff report.

CONCLUSION

Legal counsel, city staff, and the Airport Advisory Board (AAB) have thoroughly vetted the proposed non-reversionary form lease. This update represents a collaborative effort to balance the interests of hangar owners with those of the airport sponsor. Ultimately, the new lease serves as an effective tool to help cover sponsor's grant matches and maintain FAA grant assurances required to execute the Airport Master Plan and Airport Layout Plan (ALP).

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue

I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Adam Bunker

EXHIBITS

1. Origination Fee Amounts
2. Origination Fee Amounts Smaller Leaseholds
3. Resolution 2026-14 Adopting Airport Lease Form
4. Clean Non-Reversionary Ground Lease Agreement - Final AAB Recommendation for Packet - 4932-7636-4211 - 2

MEMORANDUM

TO: Matthew Brower, City Manager, Heber City Corporation
FROM: Adam Bunker, Airport Manager, Heber Valley Airport
DATE: June 10, 2026
RE: Maximum Potential Lease Origination Fee Revenue — Existing Hangar Ground Leases Expiring Before 2034, Under the Renewed Non-Reversionary Ground Lease

Purpose

This memo quantifies the maximum potential one-time revenue the City could realize in Lease Origination Fees if every current hangar tenant whose lease expires before 2034 were to renew under the new Non-Reversionary Ground Lease and elect the maximum available term. The figures are intended to accompany the redlined lease currently in legal review with Jeremy Cook ahead of the Airport Advisory Board's consideration.

Bottom Line

Across the 19 hangars analyzed (146,314 leased square feet), the maximum potential Lease Origination Fee revenue is **$2,194,710** in 2026 dollars.

MAXIMUM POTENTIAL ORIGINATION-FEE REVENUE (2026 DOLLARS)

$2,194,710

19 hangars • 146,314 leased square feet • all tenants at maximum 30-year term

Hangar	Leased Sq Ft	Origination Fee (@ $15.00/sq ft)
4	11,584	$173,760
5	11,584	$173,760
6	11,584	$173,760
10	10,687	$160,305
11	5,425	$81,375
12	5,425	$81,375
13	5,425	$81,375
16	5,425	$81,375
17	5,425	$81,375
18	4,900	$73,500
19	4,900	$73,500
20	4,900	$73,500
21	4,900	$73,500
23	9,025	$135,375

Hangar	Leased Sq Ft	Origination Fee (@ $15.00/sq ft)
25	9,025	$135,375
26	9,025	$135,375
27	9,025	$135,375
28	9,025	$135,375
30	9,025	$135,375
Total (19 hangars)	**146,314**	**$2,194,710**

Methodology — How This Figure Was Derived

The calculation follows directly from two provisions of the new lease:

1. **Term and trigger (Section II.A — Term).** The new lease sets a standard term of five (5) years, extendable up to a maximum of thirty (30) years, with any term beyond five years expressly "subject to the payment of a Lease Origination Fee." The maximum term is therefore 30 years.

2. **Fee formula (Section IV.G — Lease Origination Fee).** The lease defines the fee as the Per Square Foot Renewal Fee × the leased square footage × the term in excess of five years. It sets the Per Square Foot Renewal Fee at $0.60 as of January 1, 2026, adjusted annually thereafter by the Mountain Plains Consumer Price Index.

Holding every tenant at the maximum 30-year term, the "term in excess of five years" is a constant 25 years (30 − 5). Two of the three formula inputs are therefore fixed, and the per-hangar fee reduces to:

> **$0.60 × 25 years × leased square footage = $15.00 per leased square foot**

I validated this against the worked example the lease itself provides in Section IV.G — a 2,500 sq ft parcel renewed for the full 30 years yields $0.60 × 2,500 × 25 = $37,500, which equals $15.00 × 2,500, confirming the $15.00/sq ft factor. Applying $15.00/sq ft to each hangar's leased-parcel area produces the table above.

A note on the square footage: these are the leased-parcel areas (the ground area under each lease, inclusive of the building pad and associated pavement), not the hangar building footprints. The fee is calculated on the leased premises as defined in each lease, so the parcel area is the correct input.

Important Qualifications

1. **This is a maximum potential, not a forecast.** The figure assumes every tenant elects the full 30-year term and that every renewal is approved. Renewal under the new lease is at the City's discretion and conditioned on the tenant being in good standing, a Building Inspector's certification that the improvements are structurally sound, consistency with the Airport Layout Plan and FAA Grant Assurances, and a determination that renewal will not impair the Airport's ability to self-fund. In practice, not every tenant will take the maximum term, so this number should be read as a ceiling that illustrates scale.

2. **Origination fees only — recurring ground rent is excluded.** The $2,194,710 is a one-time, up-front charge tenants pay to purchase term length beyond five years. It is in addition to the annual ground rent (Ground Lease Rate × square footage, billed yearly and CPI-escalated

under Sections IV.A–B), which over a 30-year horizon is the larger revenue stream. I can produce that recurring-rent projection separately once we set the Ground Lease Rate.

3. **Stated in 2026 dollars — a conservative floor.** The $0.60 Per Square Foot Renewal Fee escalates with the Mountain Plains CPI each January 1. Because these leases renew in different years, the actual fee collected at a later renewal will exceed the 2026 rate used here. Holding the rate at $0.60 across all hangars slightly understates later renewals but gives a clean, defensible baseline. I can re-run the total projected forward to each lease's actual renewal year on request.
4. **As currently redlined, the full fee is due up front.** The prior draft's 50/50 two-installment payment schedule was removed in the current version of the lease, so each tenant's entire fee would be payable at origination unless that provision is restored.

Recommendation / Next Step

I recommend we present this as the maximum-potential origination revenue alongside the lease in the AAB packet, with the qualifications above stated on the record, and that I prepare the companion recurring ground-rent projection so the Board and Council can see the full revenue picture before adoption.

Respectfully submitted,

Adam Bunker
Airport Manager, Heber Valley Airport

MEMORANDUM

TO: Matthew Brower, City Manager, Heber City Corporation
FROM: Adam Bunker, Airport Manager, Heber Valley Airport
DATE: June 10, 2026
RE: Maximum Potential Lease Origination Fee Revenue — Existing Hangar Ground Leases Expiring Before 2034, Under the Renewed Non-Reversionary Ground Lease

Purpose

This memo quantifies the maximum potential one-time revenue the City could realize in Lease Origination Fees if every current hangar tenant whose lease expires before 2034 were to renew under the new Non-Reversionary Ground Lease and elect the maximum available term. The figures are intended to accompany the redlined lease currently in legal review with Jeremy Cook ahead of the Airport Advisory Board's consideration.

Bottom Line

Across the 19 hangars analyzed (112,400 leased square feet), the maximum potential Lease Origination Fee revenue is **$1,686,000** in 2026 dollars.

MAXIMUM POTENTIAL ORIGINATION-FEE REVENUE (2026 DOLLARS)

$1,686,000

19 hangars • 112,400 leased square feet • all tenants at maximum 30-year term

Hangar	Leased Sq Ft	Origination Fee (@ $15.00/sq ft)
4	5,600	$84,000
5	5,600	$84,000
6	5,600	$84,000
10	5,600	$84,000
11	6,000	$90,000
12	6,000	$90,000
13	6,000	$90,000
16	6,000	$90,000
17	6,000	$90,000
18	6,000	$90,000
19	6,000	$90,000
20	6,000	$90,000
21	6,000	$90,000
23	6,000	$90,000

Hangar	Leased Sq Ft	Origination Fee (@ $15.00/sq ft)
25	6,000	$90,000
26	6,000	$90,000
27	6,000	$90,000
28	6,000	$90,000
30	6,000	$90,000
Total (19 hangars)	**112,400**	**$1,686,000**

Methodology — How This Figure Was Derived

The calculation follows directly from two provisions of the new lease:

1. **Term and trigger (Section II.A — Term).** The new lease sets a standard term of five (5) years, extendable up to a maximum of thirty (30) years, with any term beyond five years expressly "subject to the payment of a Lease Origination Fee." The maximum term is therefore 30 years.

2. **Fee formula (Section IV.G — Lease Origination Fee).** The lease defines the fee as the Per Square Foot Renewal Fee × the leased square footage × the term in excess of five years. It sets the Per Square Foot Renewal Fee at $0.60 as of January 1, 2026, adjusted annually thereafter by the Mountain Plains Consumer Price Index.

Holding every tenant at the maximum 30-year term, the "term in excess of five years" is a constant 25 years (30 − 5). Two of the three formula inputs are therefore fixed, and the per-hangar fee reduces to:

> **$0.60 × 25 years × leased square footage = $15.00 per leased square foot**

I validated this against the worked example the lease itself provides in Section IV.G — a 2,500 sq ft parcel renewed for the full 30 years yields $0.60 × 2,500 × 25 = $37,500, which equals $15.00 × 2,500, confirming the $15.00/sq ft factor. Applying $15.00/sq ft to each hangar's leased-parcel area produces the table above.

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Important Qualifications

1. **This is a maximum potential, not a forecast.** The figure assumes every tenant elects the full 30-year term and that every renewal is approved. Renewal under the new lease is at the City's discretion and conditioned on the tenant being in good standing, a Building Inspector's certification that the improvements are structurally sound, consistency with the Airport Layout Plan and FAA Grant Assurances, and a determination that renewal will not impair the Airport's ability to self-fund. In practice, not every tenant will take the maximum term, so this number should be read as a ceiling that illustrates scale.

2. **Origination fees only — recurring ground rent is excluded.** The $1,686,000 is a one-time, up-front charge tenants pay to purchase term length beyond five years. It is in addition to the annual ground rent (Ground Lease Rate × square footage, billed yearly and CPI-escalated

under Sections IV.A–B), which over a 30-year horizon is the larger revenue stream. I can produce that recurring-rent projection separately once we set the Ground Lease Rate.

3. **Stated in 2026 dollars — a conservative floor.** The $0.60 Per Square Foot Renewal Fee escalates with the Mountain Plains CPI each January 1. Because these leases renew in different years, the actual fee collected at a later renewal will exceed the 2026 rate used here. Holding the rate at $0.60 across all hangars slightly understates later renewals but gives a clean, defensible baseline. I can re-run the total projected forward to each lease's actual renewal year on request.
4. **As currently redlined, the full fee is due up front.** The prior draft's 50/50 two-installment payment schedule was removed in the current version of the lease, so each tenant's entire fee would be payable at origination unless that provision is restored.

Recommendation / Next Step

I recommend we present this as the maximum-potential origination revenue alongside the lease in the AAB packet, with the qualifications above stated on the record, and that I prepare the companion recurring ground-rent projection so the Board and Council can see the full revenue picture before adoption.

Respectfully submitted,

Adam Bunker
Airport Manager, Heber Valley Airport

RESOLUTION NO. 2026-14

A RESOLUTION AMENDING AN AIRPORT LEASE FORM

WHEREAS, Heber City owns, operates and is the sponsor of the Heber Valley Airport located in Heber City, Wasatch County, Utah (the "Airport"), and is the sponsor of the Airport under federal law; and

WHEREAS, the Heber City Council has authority to adopt rules and regulations for the Airport, including, but not limited to hangar leases; and

WHEREAS, during a special meeting of the Heber City Council held on November 6, 2025, the Heber City Council directed staff to finalize the non-reversionary lease agreement and return it for ultimate review, consideration, and adoption; and

WHEREAS, On June 10, 2026, staff presented the final draft of the Heber Valley Airport's Non-Reversionary Ground Lease Agreement to the Airport Advisory Board (AAB). The AAB approved the form lease with modifications. This finalized document reflects a collaborative effort by legal counsel, city staff, and the board to balance hangar owner interests with airport sponsor needs. Crucially, the lease provides an effective tool to maintain FAA grant assurances and fund local sponsor matches required to execute the Airport Master Plan and Airport Layout Plan (ALP).

NOW THEREFORE, BE IT RESOLVED by the City Council of Heber City, Utah, as follows:

1. The City Council hereby adopts the lease form attached hereto as Exhibit A.

2. The City Council authorizes the Airport Manager, with the consent of the City Manager, to modify the terms and conditions of the form lease agreement if the Airport Manager determines that such modifications are reasonable, equitable and in the best interest of the airport, or such modifications are required to comply with Grant Assurances for the Airport.

This Resolution shall take effect and be in force from and after its adoption and publication.

ADOPTED AND PASSED by the City Council of Heber City, Utah, this _____ day of _____, 2026. This Resolution shall become effective upon adoption and passage by the City Council.

HEBER CITY
A Utah Municipal Corporation

_____
Heidi Franco, Mayor

ATTEST:

_____
Trina Cooke, City Recorder

(city seal)

EXHIBIT A

Airport Lease Form

NON-REVERSIONARY GROUND LEASE AGREEMENT

HEBER CITY AIRPORT

BETWEEN

HEBER CITY CORPORATION

AND

[_____]

[_____ __, 20__]

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NON-REVERSIONARY GROUND LEASE AGREEMENT

This Non-Reversionary Ground Lease Agreement ("Agreement") is made and entered into this ___ day of _____, 20__ (the "Effective Date"), by and between the Heber City Corporation (the "City") and _____, a _____ ("Lessee") (collectively, "Parties" and each individually, "Party").

RECTIALS

WHEREAS, the City owns and operates the Heber Valley Airport located in Heber City, Wasatch County, Utah (the "Airport"), and is the sponsor of the Airport under federal law; and

WHEREAS, Lessee desires to lease a parcel of land on the Airport for the purpose of erecting and/or maintaining an aircraft hangar owned by Lessee for the personal storage of Lessee's aircraft; and

WHEREAS, Lessee shall use the Premises as herein defined only for such uses and purposes that are expressly set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties agree as follows:

I. PREMISES

A. The City leases to Lessee, and Lessee leases from City, that certain real property consisting of _____ [acres/square feet] of land at the Airport that is located at [INSERT ADDRESS HERE], Hangar ___, Heber City, Utah, which is more fully described on **Exhibit 1** attached and made part hereof (the "Premises").

B. Lessee accepts the Premises "AS IS" in the condition existing upon the Effective Date. Lessee's acceptance of the Premises shall be conclusive evidence that its condition is satisfactory to Lessee for Lessee's intended purposes. The City makes no representation or warranty respecting the condition of the Premises as it exists now or in the future.

II. TERM

A. Term. The term of this Agreement shall commence on the Effective Date and shall continue _____ (____) years, expiring on the _____ (____th) anniversary of the Effective Date at 11:59 p.m. local time, unless sooner terminated as set forth herein (the "Term"). The standard term shall be five (5) years, but Lessee may request up to a maximum of thirty (30) years, subject to the payment of a Lease Origination Fee.

B. If Lessee desires to continue occupying the Premises after the expiration of the Term, Lessee may submit a written request to the City no more than one (1) year prior to the expiration of the Term, and not less than ninety (90) days prior to the expiration of the Term. The City shall offer Lessee the opportunity to continue occupying the Premises on such terms and conditions, including rental rates, then offered by the City for similar uses of Airport property if: (i) Lessee is not in default in the payment of any Rent or with respect to any other provisions of this Agreement; (ii) Lessee submits a certificate from the City

Building Inspector to the Airport Manager that the Improvements, including pavements, are structurally sound and projected to be sound for the duration of any new lease; (iii) continued occupancy of the Premises by Lessee for the purposes granted herein are consistent with the City's then-current Airport Layout Plan and all applicable federal rules, regulations, directives, and guidelines or other obligations with respect to the Airport, including but not limited to the Grant Assurances; (iv) City determines, in its sole discretion, that renewal of the Lease will not impair, limit or otherwise impact the City's ability to fund the operations of the Airport without any support or funding from the City's general fund; or impair the City's ability to pay any past or future obligations of the Airport, including, but not limited to, reimbursement of any past payments or loans from the City's general fund to the Airport.

III. HOLDING OVER

A. If Lessee should hold over and continue in possession of the Premises or any portion thereof after expiration or early termination of the Term or any renewal or extension thereof, Lessee's continued occupancy of the Premises **will be on a month to month basis, at a rental rate** of one hundred fifty percent (150%) the Rent due under this Agreement for the month prior to the holdover, subject to all the terms and conditions of this Agreement. The City may terminate the holdover tenancy at any time.

B. If Lessee shall holdover and fail to surrender the Premises upon termination of this Agreement without the City's consent then, in addition to any other liabilities to the City arising therefrom, Lessee shall and does hereby agree to indemnify, defend, and hold the City harmless from any loss or liability resulting from Lessee's failure to surrender the Premises, including but not limited to claims made by any succeeding tenant.

IV. RENT, ADJUSTMENTS, AND OTHER CHARGES

A. Rent. In consideration for the use of the Premises, facilities, rights, services, and privileges granted herein, beginning upon the commencement of the Term, Lessee shall pay rent to the City at that ground rental rate established by the City in its Consolidated Fee Schedule for Renewed Non-Reversionary Airport Hangar Ground Leases (the "Ground Lease Rate"), multiplied by the square footage of the Premises, as may be adjusted by the City from time to time as set forth in this Section IV. As of the Effective Date, the Ground Lease Rate is $[RATE] per square foot, for the total sum of **[AMOUNT IN WORDS] DOLLARS ($[AMOUNT]).** Rent shall be payable in full on the Effective Date and within thirty (30) days of the City's annual invoice (typically in mid-January) for each year of the Term thereafter (the "Rent").

B. Annual Adjustment. Beginning in the second (2nd) year of the Term, the Ground Lease Rate shall be automatically adjusted effective January 1st of each year during the Term based on the percentage increase in the Consumer Price Index, Mountain Plains over the prior year, provided, however**,** that the Ground Lease Rate shall not decrease.

C. Market Rent Adjustment. Notwithstanding Section IV.B, the City may from time to time, and in its sole discretion, adopt a Ground Lease Rate in addition to the percentage

increase in the Consumer Price Index, Mountain Plains over the prior year (a "Market Rent Adjustment"). Such Market Rent Adjustment shall be effective as to Lessee, provided, however, that (i) City shall not make a Market Rent Adjustment more than once every three years; (2) a Market Rent Adjustment shall not increase the Ground Lease Rate by more than twenty-five percent (25%) over the then current Ground Lease Rate; and (3) City shall provide Lessee not less than forty-five (45) days' notice prior to the effective date of any Market Rent Adjustment.

D. Proration of Rental Payments If the commencement or termination of the Term fall on any other date than the first (1st) or last day of a calendar year, the applicable rentals, fees, and charges for such year shall be paid pro rata according to the number of days in the year during which said privileges were enjoyed.

E. Other Fees and Charges. Lessee shall pay to the City within ten (10) days of notice by the City, any sum or sums paid by the City, or obligation or expense incurred by the City, for which Lessee has agreed to pay or reimburse the City, or which the City has paid or incurred because of the failure, neglect, or refusal of Lessee to perform or fulfill any of the promises, terms, conditions, or covenants required of it under this Agreement.

F. Late Payments. If Lessee fails to pay any amounts due under this Agreement, including Rent, within ten (10) days of the due date thereof, Lessee shall pay an interest charge of one and one-half percent (1.5%) of the amount owning for each calendar month or part thereof from the due date to the date payment is made. The payment of interest does not excuse or cure any otherwise uncured Lessee default under this Agreement. Payments received from Lessee will be applied by the City first to accrued interest, second to due Rent, and third to other amounts due hereunder.

G. Lease Origination Fee. As additional consideration for this Lease, Lessee shall pay to the City a lease origination fee (the "Lease Origination Fee") equal to the Per Square Foot Renewal Fee multiplied by the square footage of the hangar built on or to be built on the lease property, multiplied by the term of the Lease in excess of five years. The Per Square Foot Renewal Fee shall be $.60 as of January 1, 2026, and shall be adjusted on January 1 of each subsequent year based on any increase in the Consumer Price Index, Mountain Plains. For example, if the Lease is renewed in 2026, the square footage of the hangar built on the leased property is 2,500 square feet, and the Lease is renewed for the maximum 30 years, the Lease Origination Fee would be $.60 x 2,500 x 25 = $37,500.

The Lease Origination Fee may be paid in two installments as follows: (i) fifty percent (50%) of the Lease Origination Fee due on the Effective Date, and (ii) the remaining fifty percent (50%) due on the first anniversary of the Effective Date. Any unpaid installment shall be treated as a Late Payment.

V. USE OF PREMISES

A. Permitted Use. Subject to the terms and conditions of this Agreement, Lessee shall only use the Premises for the construction and/or maintenance of a private aircraft hangar and related facilities to be used solely for Lessee's and authorized sublessee's personal, non-commercial purposes ("Permitted Use"), which Permitted Use is limited to:

1. The storage of active and operational aircraft owned or leased by Lessee and authorized sublessees, provided that within ten (10) days of the Effective Date, Lessee shall provide written notice to the Airport Manager of the registration number of the aircraft and the person(s) responsible for it, including off-hours emergency phone numbers;

2. The storage of aviation-related equipment;

3. Non-aviation storage as an incidental use, provided that the Premises are primarily used for aviation purposes and such non-aviation storage does not materially displace or limit the aeronautical contents of the hangar;

4. The self-servicing and preventive maintenance and servicing of Lessee's aircraft, Lessee's vehicles, and equipment shall occur only indoors, and in accordance with applicable fire codes; provided, however, that aircraft run-ups or other required testing or maintenance may be performed outdoors in a manner that does not impede, compromise or infringe upon taxiing traffic.

B. Prohibited Use. Lessee shall use, and cause its invitees to use, the Premises and the Airport only for the Permitted Use and those other uses authorized under this Agreement and shall not engage in any unauthorized or prohibited use of the same. Prohibited uses include, but are not limited to, the following:

1. Lessee shall not erect, place upon, operate, or maintain any improvement on the Premises, nor conduct business therein, in violation of the terms of this Agreement or any applicable law, statute, ordinance, regulation, rule, or order of any federal, state, or local governmental agency having jurisdiction over the Premises.

2. Lessee shall not erect any structure or allow the growth of any plant or natural object that would constitute an obstruction to air navigation as defined in 14 CFR Part 77; nor shall Lessee conduct any activity on the Premises that would interfere with or be a hazard to the flight of aircraft over the land or to and from the Airport or interfere with air navigation and communication facilities serving the Airport. The City shall have the continuing right to take any action it deems necessary to prevent the erection or growth of any structure, tree, or other object into the air space, or development of any hazard to air navigation or communication, and to remove or abate from such air space, or mark and light as obstructions, any such structure, tree, object, or hazard, and shall have the right of ingress and egress over the Premises for such purposes.

3. Lessee shall not use the Premises as living or overnight sleeping quarters.

4. Lessee shall not use the Premises primarily for non-aeronautical purposes without the prior written consent of the City, provided that Lessee shall at all times comply, and cause invitees to materially comply with the FAA's *Policy on the Non-Aeronautical Use of Airport Hangars*, 81 Fed. Reg. 38906 (June 15, 2016),as it may be amended.

5. Lessee shall not place waste materials on the Airport or dispose of such materials in violation of any federal, state, or local laws, rules, regulations, or orders.

6. Lessee shall not conduct nor permit its authorized sublessees to conduct any commercial activity or business at, on, or from the Premises without the prior written consent of the City, provided that, as a condition of such consent, Lessee shall comply with the Airport's Minimum Standards (as defined herein) and any other conditions, limitations, or terms the City may reasonably require. Lessee

7. Lessee shall not sell or store aviation fuel, parts, oils, or any other products or services from or on the Premises without the prior written consent of the City.. Personal use and storage of oil and other items that are incidental to the operation and maintenance of the Lessee's aircraft, as long as it does not violate applicable laws,

8. Washing of aircraft, vehicles and other aviation equipment is permissible as long as runoff does not make it into the water system or cause other environmental damage.

9. Lessee shall not store on the Premises equipment, materials, or containers, unless used in conjunction with the Permitted Uses, nor shall Lessee store any equipment or materials of any kind on the Premises which is unsightly or inconsistent with Lessee's maintenance obligations hereunder.

10. Lessee shall not store or let stand any equipment or property belonging to Lessee or under Lessee's custody (including but not limited to vehicles and aircraft) outside the boundaries of the Premises without prior written consent of the City, except when such equipment or property is in the process of being loaded or unloaded.

VI. PRIVILEGES GRANTED TO LESSEE

City grants to Lessee the following rights and privileges, subject to Lessee's compliance with, as applicable, the Airport's minimum standards promulgated and adopted by the City ("Minimum Standards"), the Airport's rules and regulations promulgated and adopted by the City ("Rules and Regulations"), and all orders, rules, and/or regulations of the Federal Aviation Administration ("FAA"), Transportation Security Administration ("TSA"), Department of Homeland Security ("DHS"), and Environmental Protection Agency ("EPA"), as each may be amended from time to time:

A. The exclusive right to use the Premises in connection with the Permitted Use and for no other purpose, unless expressly authorized by the City in writing; provided that City reserves the right to grant users of the Airport the right to use the Pavement Area (as defined in Section VII.A.1 herein) on the Premises from time to time for passage of aircraft on and near the adjacent taxiway when required for ingress and egress to other areas of the Airport;

B. The right to use, in common with others, the facilities and improvements owned or constructed by the City which are of a public nature and available for public use;

C. The right of ingress and egress from the Premises for Lessee and Lessee's contractors and invitees to the extent reasonably necessary in connection with the Permitted Use;

D. The right to install, operate, maintain, repair, and store all fixtures and equipment necessary for the Permitted Use, at Lessee's sole cost and expense; and

E. Lessee shall not erect any commercial signs on the Premises or the Improvements thereon without the prior written consent of the City, which may be withheld or conditioned in its sole and absolute discretion. Personal signage is permitted but cannot be larger than 24 inches by 36 inches, and may be displayed only on the exterior side of the man doors.

VII. CONSTRUCTION OF IMPROVEMENTS

A. Generally. Lessee, at its sole expense and subject to the City's approval as set forth below, may construct or install on the Premises, in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations, including FAA requirements, such buildings, structures, or improvements, or modifications, revisions, or alterations thereto, that are reasonably related to the Permitted Use, including a hangar facility and aircraft pavement area (collectively, the "Improvements"). Lessee may not cause or permit any Improvements on the Premises to conflict with the City's Master Plan or Airport Layout Plan existing at such time and as on file with the FAA.

1. As part of the Improvements, Lessee, at its sole cost and expense, shall construct and maintain an aircraft pavement area on the Premises (the "Pavement Area") to accommodate the movement of aircraft in an out of the hangar improvements constructed thereon, which must be designed and built to specifications, and for a minimum weight bearing capacity, established by the City, built to the full width of the Premises, and to connect with adjacent taxiway, ramp, and/or auto parking areas so that a continuous and safe pavement section for aircraft use results. The City shall have no responsibility or obligation to make or maintain any Improvements to the Premises or to the public roadway and utility access to the Premises.

B. Plans and Specifications. Lessee shall, at its sole cost and expense, select qualified architects and engineers to prepare, as applicable, the architectural, site, structural, mechanical, and/or electrical drawings and specifications for the Improvements (the "Plans and Specifications") as required by the appropriate governmental authorities and in

accordance with Applicable Laws. Prior to the commencement of the construction or installation of any Improvements or any modifications thereto, Lessee shall obtain the City's prior written approval of the relevant Plans and Specifications. The City may refuse to approve such Plans and Specifications at the City's reasonable discretion and shall provide the reasoning for such disapproval to Lessee, provided, however, that the City's approval shall not be unreasonably conditioned, withheld, or delayed. The City's reasoning for disapproval may include, but shall not be limited to, the following: if the Improvements are inconsistent with the requirements of this Agreement, applicable law, rules or regulations, or the lawful direction of a government authority; if the external appearance of the planned Improvements is materially inconsistent with the uniform appearance of existing buildings or structures at the Airport or otherwise does not meet the City's regulations or policies, if any, relating to substantial uniformity of appearance of all buildings and structures on the Airport or relating to Airport safety; or if the nature of the Improvements is inconsistent with the safe, secure, or orderly use of the Airport by others.

C. Unauthorized Construction. If any construction, improvement, alteration, modification, addition, repair, or replacement that requires City's approval, under applicable laws and ordinances, local rules and regulations, or FAA requirements, is made without the City's prior written approval, or that otherwise does not conform with applicable laws, rules, or regulations or the approved Plans or Specifications, the City may, in its sole and unfettered discretion, elect to require Lessee to restore the Premises to its prior condition and/or modify the Premises to the satisfaction of the City. Lessee's failure to commence and diligently prosecute such removal or modification within thirty (30) days following receipt of notice by the City shall constitute an Event of Default (as defined herein).

D. Qualified Contractors; No Liens. Lessee shall cause all Improvements authorized to be constructed hereunder only by a contractor or contractor(s) properly licensed by the State of Utah. Lessee shall be solely responsible for payment to such contractor(s) for all elements of the construction and installation of Improvements. Lessee shall keep the Premises free and clear of all construction or mechanics liens resulting from any construction or work by or on behalf of Lessee. Lessee may contest the correctness or validity of any such lien, but shall indemnify, defend, and hold harmless the City, its elected representatives, offices, agents, and employees, and the Premises from all claims and liability for payment of any such lien. The City may file a notice of no responsibility for its lien protection.

E. Certified Statement of Costs. Within sixty (60) days of the completion of the Improvements, Lessee shall provide the City with a certified statement of all costs actually incurred by Lessee in constructing the Improvements, together with any supplemental or supporting documentation requested by the City to verify such construction costs.

VIII. TITLE; REMOVAL OF IMPROVEMENTS; RETURN OF PREMISES

A. Title. The City shall at all times hold and retain title to and fee simple interest in the Premises. Lessee's leasehold interest in the Premises shall completely extinguish upon the expiration or early termination of this Agreement. All Improvements or personal

property constructed, installed, or placed on the Premises by Lessee during the Term shall remain the property of Lessee, unless such Improvements are deemed abandoned pursuant to Section VIII.B herein.

B. Removal of Improvements. Prior to the expiration or early termination of this Agreement, Lessee, at its sole cost and expense, shall have the right to remove any Improvements placed or erected on the Premises by Lessee. Any Improvements and/or personal property remaining on the Premises after the expiration or early termination of the Agreement shall, at the option of the City, be deemed abandoned and title thereto shall automatically transfer to the City without any claim or right whatsoever by Lessee.

C. Return of Premises. On or before the expiration or early termination of the Agreement, Lessee shall, at Lessee's sole cost and expense: (i) remove all of Lessee's personal property from the Premises, unless otherwise mutually agreed to in writing by the Parties; and (ii) either (a) if Lessee exercises its right to remove its Improvements pursuant to Section VIII.B, return the Premises to the City in as good a condition as it was prior to the erection of the Improvements thereon, or (b) if Lessee does not exercise its right to remove its Improvements, Lessee shall return the Premises and the Improvements to the City in their original condition existing as of the Effective Date or the date upon which the Improvements were completed, respectively. If Lessee fails to return the Premises in accordance with the requirements herein, the City reserves the right to charge Lessee for the cost of the restoration of the Premises and the Improvements (if applicable) and/or removal of any remaining personal property plus reasonable administrative costs.

IX. ENVIRONMENTAL COMPLIANCE

A. Generally. Lessee agrees that in conducting any activities on the Premises or on Airport property pursuant to this Agreement, Lessee shall comply, and require its employees, agents, contractors, and invitees ("Lessee Parties") to comply, with any and all applicable federal, state, and local environmental laws, rules, and regulations and all orders and directives from any government agency having jurisdiction over Lessee, the Airport, and/or the Premises (collectively, "Environmental Laws").

B. Hazardous Materials. Lessee and Lessee Parties shall not use, store, generate, manufacture, produce, handle, treat, dispose, transport, or conduct operations involving Hazardous Materials (defined herein) whether intentionally or unintentionally, at or from the Premises in violation of any Environmental Laws. Without limiting the foregoing, Lessee and Lessee Parties shall not discharge Hazardous Materials into the sewer and/or storm water drainage systems, or cause any Hazardous Materials to be placed, held, stored, processed, treated, released, or disposed of on or about the Premises or Airport in violation of Environmental Laws. Lessee shall, at no cost or expense to the City, promptly remove and remedy, in accordance with the requirements of Environmental Laws, all Hazardous Materials present in, on, under, or migrating from the Premises in violation of Environmental Laws, as a result of the acts or omissions of Lessee or any Lessee Party or its or their use or occupancy of the Premises; provided, however, that Lessee has no obligation to remove any Hazardous Materials in, on, under, or migrating from the Premises as a result of (i) the acts or omissions of third parties other than Lessee Parties or

Lessee's predecessors in interest, or (ii) the acts or omissions of the City, unless Lessee's acts or omissions exacerbated such Hazardous Materials. However, Lessee shall bear the burden of providing evidence to the City that any Hazardous Materials in, on, under, or migrating from the Premises were not exacerbated by the acts or omissions of Lessee and are a result of (x) the acts or omissions of third parties other than Lessee Parties or Lessee's predecessors in interest; or (y) the acts or omissions of the City. As used in this Agreement, "Hazardous Materials" means any elements, compounds, chemicals, substances, flammable materials, explosives, radioactive materials, oil, petroleum, petroleum products, asbestos, lead paint, perfluorooctane sulfonic acids or perfluorooctanoic acids, polychlorinated biphenyls, military or civilian munitions, explosives, materials, or wastes that, because of their quantity, concentration or physical or chemical characteristics pose a present or potential hazard to human health or safety or to the environment including, by way of illustration and not limitation, those which are or become regulated, identified, defined, listed, or otherwise classified as a contaminant, pollutant, toxic pollutant, or toxic or hazardous substance, or a regulated substance under Environmental Laws.

C. Recordkeeping. Lessee shall maintain, in an orderly and easily accessible manner, all correspondence and communications with any governmental authority, records, or other information evidencing its compliance with all Environmental Laws for all Hazardous Materials brought upon, kept, used, stored, generated, or disposed of in, on, or about the Premises, or transported to or from the Premises by Lessee or Lessee Parties. Lessee must maintain these records for the period of time as is required by Environmental Laws or ten (10) years following termination of this Agreement, whichever is longer.

D. Environmental Permits. Lessee, at its expense, shall obtain, maintain, and comply with any and all permits required by any Environmental Laws to conduct its permitted activities on the Premises.

E. Review of Environmental Documents. At the City's written request, Lessee shall make available for inspection and copying, upon reasonable notice and at reasonable times, any and all non-privileged correspondence and communications with relevant governmental authorities and records or other information evidencing its compliance with all Environmental Laws for all Hazardous Materials brought upon, kept, used, stored, generated, managed, or disposed of in, on, or about the Premises, or transported to or from the Premises by Lessee or Lessee Parties.

F. Cooperation with Investigations. Lessee shall cooperate with any investigation, audit, or inquiry by the City or any governmental authority regarding possible violation of any Environmental Laws upon the Premises.

G. Access for Environmental Inspection. The City shall have access to the Premises upon reasonable prior notice to inspect the same in order to confirm that Lessee is in compliance with the requirements of this Section IX; provided, however, that the City may enter the Premises for such purposes without prior written notice in the event of an emergency pertaining to Environmental Laws, as determined by the City. Lessee agrees to fully cooperate with any such inspections, provided that such inspections shall not unreasonably interfere with Lessee's operations. If the City reasonably believes or has

received information leading it to reasonably believe that Lessee's operations are not in compliance with the requirements of this Section IX, then, upon request by the City, Lessee shall conduct such inspection, testing, and analysis as the City reasonably deems necessary to ascertain whether Lessee is in compliance with this Section IX. Lessee shall pay all actual costs associated with any such environmental inspection, testing, and analysis. Any such tests shall be conducted by qualified independent environmental consultants chosen by Lessee, but such environmental consultants, and the scope and the methods of such investigation, shall be subject to the City's approval, which shall not be unreasonably withheld. Lessee shall provide copies of any and all relevant reports prepared by such experts to the City within a reasonable time after Lessee receives such reports.

H. Duty to Notify City. In the event of any release or threatened release of Hazardous Materials caused by or discovered by Lessee or any Lessee Party at, on, under, or about the Premises or the Airport, or in the event any claim, demand, complaint, or action arising under Environmental Laws is made or taken against Lessee with respect to activities on the Premises or the Airport, or if Lessee receives any notice pertaining to Lessee's failure or alleged failure to comply with any Environmental Laws at the Premises, Lessee shall notify City of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice and shall provide the City with copies of any and all claims, demands, complaints, notices, or actions so made no later than twenty-four (24) hours following receipt of the same. If Lessee is required by any Environmental Laws or applicable governmental authority to file any notice or report of a release or threatened release at, on, under, or about the Premises or the Airport, Lessee shall simultaneously provide a copy of such notice or report to the City.

I. Environmental Remediation. Lessee, at its sole cost and expense, shall undertake all necessary steps to remedy and remediate a release of Hazardous Materials or other condition to the extent caused by or resulting from the activities, conduct ,or omissions of Lessee or its Lessee Parties, on the Premises or at the Airport, as necessary to reasonably protect the public health and safety to the extent required by Environmental Laws and/or to bring the Premises or the Airport into compliance with all Environmental Laws applicable to the Premises or Lessee's activities thereon. Specific cleanup levels for any environmental remediation work Lessee performs shall be designed to meet and satisfy the requirements of all Environmental Laws applicable to the Premises or Lessee's authorized use thereof. Except in the event of an emergency, such work shall be performed only after Lessee submits to the City a written plan for completing such work and receives the prior approval of the City, which shall not be unreasonably withheld. The City shall have the right to review and inspect all such work at any time using consultants and representatives of its choice. The actual cost of such review and inspection shall be paid by Lessee. Lessee expressly warrants that all work performed pursuant to this Agreement shall be performed in accordance with all Environmental Laws. Lessee shall not enter into any settlement agreement, consent decree, or other compromise with respect to any claims relating to any release of Hazardous Materials or other condition in violation of Environmental Laws on, at, or from the Premises or the Airport without first notifying the City of Lessee's intention to do so and affording the City a reasonable opportunity to appear, intervene, or otherwise appropriately assert and protect the City's interest with respect thereto, which appearance or intervention by the City will be at City's sole cost and expense.

J. Obligations Upon Termination. At the expiration or termination of this Agreement, Lessee shall dispose of all Hazardous Materials and containers in compliance with all applicable Environmental Laws and shall complete all actions necessary to bring the Premises into full compliance with this Section IX and all Environmental Laws. Lessee shall provide the City with copies of all waste manifests for Hazardous Materials removed from the Premises at least thirty (30) days prior to the termination or expiration date of this Agreement.

K. Step-In Rights. Notwithstanding Lessee's obligations under this Section IX, the City and any other relevant governmental authorities shall at all times have the right, should Lessee fail to comply with its obligations in subsections I or J of this Section IX, after reasonable advance written notice, which shall include a reasonable opportunity to cure (except where a governmental authority other than the City is empowered by applicable law to act without notice), or immediately, if necessary to prevent additional harm to the environment, to take any and all actions as they individually or collectively may reasonably deem necessary to cease, contain, investigate, remediate, or otherwise respond to a condition which results from, causes, or threatens to cause a release of Hazardous Materials or other condition in violation of Environmental Laws at, under, or about the Premises or at the Airport. Lessee agrees to cooperate with any and all such actions.

L. No City Liability. The City shall not be responsible to Lessee or any Lessee Party for any Hazardous Materials in existence in, on, under, or migrating from the Premises or at the Airport, which condition may interfere with Lessee's operations or activities, or which might otherwise cause damages to Lessee through loss of business, destruction of property, or injury to Lessee, its Lessee Parties, customers, or clients, except to the extent such conditions are caused by the actions or omissions of the City.

M. Remedies Cumulative. Lessee agrees that all remedies of the City as provided in this Section IX with regard to Hazardous Materials, or violations of any Environmental Laws shall be deemed cumulative in nature and the City's right to indemnification as provided under this Section IX shall survive the termination of this Agreement.

N. Survival. The rights and obligations of this Section IX shall survive the expiration or termination of this Agreement and shall bind Lessee's successors and assigns and inure to the benefit of the City's successors and assigns, except those rights and/or obligations which by their nature or context are not intended survive the expiration or termination of this Agreement.

X. TAXES

Lessee covenants and agrees that it will pay, when due, all taxes which may be assessed pursuant to law against the Premises, the Improvements, or any other buildings, improvements, and personal property located on the Premises, or against activities conducted by Lessee. Lessee shall provide the City with satisfactory evidence of such payments within fifteen (15) days from the City's written request.

XI. INDEMNITY

A. Indemnification. Lessee shall, at its sole cost and expense, defend, indemnify, save, protect, and hold harmless the City, the Airport, the Heber City Council, and the Airport Advisory Board (the "AAB"), individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers (the "Indemnified Parties") from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the Indemnified Parties, individually and collectively, arising out of or in connection with the activities of Lessee or Lessee's officers, employees, agents, contractors, or invitees at the Airport; provided, however, that Lessee shall have no obligation to indemnify under this Section XI.A to the extent such claim arises from the gross negligence or willful misconduct of the Indemnified Parties.

B. Environmental Indemnification. Additionally, Lessee shall defend, indemnify, save, protect, and hold harmless the Indemnified Parties in the event of an environmental contaminating accident or incident, release of any Hazardous Materials, or any violation of Section IX, to the extent such accident, incident, release, or violation is caused by Lessee, Lessee Parties, or any other personnel used by Lessee to maintain Lessee's facilities, vehicles, equipment, or aircraft.

XII. INSURANCE

A. Insurance. Prior to the commencement of the Term and at all times throughout the Term of this Agreement, Lessee shall obtain and maintain from a reliable insurance company or companies rated AM Best A or better authorized to do business in the State of Utah insurance in the types and amounts required by the City pursuant this Section XII and, if applicable, the Minimum Standards, or as the City may otherwise reasonably request during the Term on not less than thirty (30) days written notice to Lessee.

B. Insurance Types and Coverages. Types and limits of insurance required as of the Effective Date are as follows:

1. *General and Aircraft Liability Insurance*. Lessee shall obtain and maintain comprehensive general and aircraft liability insurance for personal and bodily injury (including passengers), death, property damage, and passenger liability with a combined single limit for each occurrence in at least the following amounts: (a) $1,000,000 for each aircraft; (b) $100,000 for each passenger; (c) $1,000,000 for premises liability.

2. *Hangar Keeper's Liability Insurance*. If Lessee intends to store any aircraft not owned or leased by Lessee but otherwise approved under this Agreement on the Premises, Lessee shall obtain and maintain hangar keeper's liability insurance for at least the full value of the non-owned aircraft in Lessee's care, custody, or control.

3. *Automobile Liability Insurance*. Lessee shall obtain and maintain comprehensive automobile liability insurance at a combined single limit coverage of at least $500,000.00 (bodily injury and property damage).

4. *Builder's Risk Insurance*. During any period of construction, reconstruction, or renovation of the Improvements, Lessee shall provide, or cause to be provided, builder's risk insurance as to all items of construction with coverage at least equal to the total amount of the construction contract(s) for all such construction activities.

5. *Property*. Lessee shall obtain and maintain "All Risk" property insurance in an amount at least equal to the full replacement value of all Improvements, facilities, and personal property located on the Premises. The City will not carry insurance or be liable for damage or loss to Lessee's Improvements, facilities, or personal property.

C. Proof of Insurance. Lessee shall submit certificates of insurance to the City prior to the commencement of the Term and annually thereafter, and at any time upon the request of the City. The insurance policy or policies required hereunder shall contain an endorsement which provides that Lessee is named insured as it pertains to this Agreement. Prior to the commencement of the Term and each time the policy renews, concurrently with the annual payment of Rent, or upon the City's request, Lessee shall provide the Airport Manager a copy of the policy endorsement naming Heber City Corporation as an additional insured under the policy.

D. Policy Requirements. All insurance coverages required under this Agreement shall (i) include the City and its officers, agents, and employees as additional named insured, (ii) provide thirty (30) days' prior written notice of cancellation, modification, or intent not to renew the policy, with such notice being effective upon the City's receipt of said notice, (iii) stipulate that the policy provided coverage is not subordinate to nor contributing with any other insurance coverage held or maintained by the City; (iv) include a waiver of subrogation, except for automobile and aircraft liability insurance, and (v) list any and all exclusions. Notice by the insurer shall be effective upon the receipt of said notice by the City. Lessee shall notify the City of any modification which affects the leasehold premises, termination or cancellation of any policy of insurance secured by Lessee pursuant to this paragraph as soon as Lessee learns of any such modification, termination, or cancellation.

E. Application to Others. Lessee shall require all contractors, subcontractors, agents, or workers performing work or occupying the Premises to be properly licensed and to obtain insurance coverage meeting the requirements of this Section XII, as evidenced by a certificate of insurance. Lessee shall require that all such parties submit certificates of such insurance to the City prior to performing work or occupying the Premises. The insurance provisions herein shall likewise apply to any permitted assignee, sublessee, or transferee of Lessee.

F. No Limitation of Liability or Waiver. The procuring of such policy or policies of insurance shall not be construed to be a limitation upon Lessee's liability or satisfaction or a waiver of Lessee's indemnification obligations under this Agreement.

XIII. MAINTENANCE & REPAIR

A. City Maintenance Obligations. The City shall be responsible for the maintenance of the shared public spaces and common use areas of the Airport. The City shall provide for the removal of snow and ice from the airfield and the Pavement Area, excluding any parking and side lots and any area within six (6) feet of any hangar on the Premises; provided, however, that priority of snow removal shall be in accordance with the City's snow removal plan, attached as **Exhibit 2** ("Snow Removal Plan"), as it now exists or as it may be amended in the City's sole discretion.

B. Lessee Maintenance Obligations. Lessee, at its sole cost and expense, shall be responsible for all other maintenance and repairs to the Premises, the Improvements, and the utilities thereon, including but not limited to the obligations set forth in this Section XIII.B.

1. Lessee shall keep and maintain the Premises, the Improvements, and any other improvements and personal property thereon in good and repair and in sanitary and sightly condition, reasonable wear and use excepted. Lessee agrees to provide at its own expense such janitorial and cleaning services and supplies, trash removal services, and any related services as may be necessary or required in the operation and maintenance of the Premises.

2. Lessee shall maintain the Premises, including all pavement areas, ie: Asphalt, Concrete etc. pavement areas clarify pavement on the Premises, in a manner which is safe and clean of debris so as not to cause danger or unsafe conditions for taxiing aircraft or other Airport users. Seal coat, crack seal, and paint are required to maintain all pavements in good condition. Lessee shall repair any cracked or damaged pavements as needed or upon the request of the City.

3. Except as provided above in Section XIII.A, Lessee shall provide for the removal of snow and ice from its Premises, **including but not limited to stairs, walkways, ledges, roads, paved areas, parking areas, and the perimeter of any hangar buildings.** Lessee shall not place snow from its Premises on any other area of the Airport without prior written authorization from the City.

4. Lessee shall be responsible for all landscaping and weed removal on the Premises. This shall include, although not limited to, the obligation of the Lessee to maintain the Premises in a clean, neat and orderly condition at all times and to perform the necessary mowing, and weed control on the Premises.

5. Lessee shall exercise due and reasonable caution to prevent fire, accidents, hazards, and nuisances on the Premises.

C. Failure to Maintain. In the event that Lessee fails to keep and maintain the Premises or Improvements in good condition and repair, reasonable wear and use excepted, for a period of thirty (30) days after written notice from the City to do so, the City, upon the expiration of such thirty (30) day period, may, but shall not be obligated to, enter upon the

Premises and perform the obligation of Lessee, and charge Lessee the cost and expense thereof, including any reasonable administrative costs. Lessee shall pay the City such charge in addition to any other amounts payable by Lessee. Notwithstanding the foregoing, if Lessee's failure to perform any such obligation adversely affects or endangers the health or safety of the public, other Airport users or tenants, or of employees of the City in the reasonable judgment of the City, and if the City so states in its notice to Lessee, the City may, but shall not be obligated to, perform such obligation of Lessee at any time after providing such notice, at Lessee's sole cost and expense. The City shall not be liable to Lessee for any loss whatsoever resulting from the City's performance hereunder.

XIV. UTILITIES & SERVICES

A. Lessee's Obligations. Lessee agrees to provide for its own connections with utilities and to make separate agreements with the agencies responsible for these utilities. Lessee shall pay for all utility service supplied to the said Premises, and if required by the utility agencies as a condition of continued said services, Lessee shall install and pay for standard metering devices for the measurement of such services. Lessee shall be solely responsible for all utility charges, including without limitation natural gas, electricity, sewer, and water used on the Premises during the Term.

B. City's Reservation of Rights. Lessee agrees that the City shall have the right, without cost or compensation to Lessee, to install and maintain in, on, under, or across the Premises utilities (including sewer, water, gas, electric and telecommunication lines, electric substations, and stormwater) or other installations necessary to the operation of the Airport, or to service other tenants of the City; provided the City shall carry out such work and locate above-ground structures in a manner so as not to unreasonably interfere with Lessee's use of the Premises. The rights of Lessee under this Agreement shall not be construed to confer any right upon Lessee concerning the use or operation of any such utilities, installations, or any other facilities at the Airport, except the Premises and other rights specifically described herein.

XV. COMPLIANCE WITH LAWS

Lessee shall comply, and cause Lessee Parties (as defined in Section IX) to comply, with any and all current and future laws, ordinances, rules, regulations, and orders issued or promulgated by any governmental authority governing or otherwise applicable to Lessee, the Airport, this Agreement, the Premises, or Lessee's use of the Premises, including but not limited to the Rules and Regulations, as amended from time to time, and all permits and licenses which may be necessary or required for the Permitted Use, including but not limited to the construction of the Improvements. Upon the City's written request, Lessee shall verify, within a reasonable time, compliance with any such applicable laws and regulations.

XVI. PERMITS, LICENSES, AND CERTIFICATES

During the Term, Lessee shall obtain and maintain any and all permits, licenses, and certificates which may be required in connection with the improvement and use of the Premises and its operations thereon, including but not limited to the construction of the Improvements.

XVII. QUIET ENJOYMENT

The City agrees that, on payment of the rentals, fees, and charges as herein provided and performance of the covenants and agreements on the part of Lessee to be performed hereunder, Lessee shall peaceably have and enjoy the Premises and all the rights and privileges of the Airport, its appurtenances, and facilities granted herein. Lessee agrees that temporary inconveniences, including but not limited to noise, disturbances, traffic detours, and the like resulting from, caused by, arising out of, or associated with the City's operation, construction, maintenance, or repair of the Airport, including but not limited to improvements thereon, or associated with special events that the City or others may from time to time host on the Airport, shall not constitute a breach of this Section. The City shall provide Lessee with reasonable prior notice of any planned temporary inconveniences or special events and shall take reasonable steps to mitigate the impact of such inconveniences so that they do not unreasonably interfere with Lessee's use of the Premises.

XVIII. DISPUTE RESOLUTION

Any dispute arising out of, relating to, or in connection with this Agreement, including any question regarding an alleged Event of Default (as defined below) or the Agreement's existence, validity, or termination, shall be resolved as set forth in the dispute resolution procedures attached in **Exhibit 3** ("Dispute Resolution Protocol"). The Dispute Resolution Protocol shall only apply during the Term, and shall not apply to a holdover Lessee, or any eviction or other action in the event Lessee fails to pay rent in accordance with Section XXI.A.1.

XIX. SUBLEASES, ASSIGNMENTS, AND TRANSFERS

A. City Consent Required. Lessee shall not assign or sublet this Agreement or the Premises, nor may it transfer the management and operation of the Premises, without the prior written consent of the City, such consent not to be unreasonably withheld, conditioned, or delayed. The City may withhold consent to an assignment, sublease, or transfer under any of the following circumstances, without limitation: (i) Lessee is in default of its obligations under this Agreement; (ii) the proposed assignee lacks the financial capability to comply with the terms and conditions of this Agreement or the ability to operate the facilities according to the terms and conditions of this Agreement and, if applicable, the Minimum Standards; (iii) the proposed assignee would not assume all of Lessee's obligations under this Agreement, without condition or qualification; or (iv) the proposed assignment would violate any obligation of the City, including without limitation the Grant Assurances. Any purported assignment or sublease in violation of this Section XIX shall be null and void.

B. First Right of Refusal for Sale of Hangar. Notwithstanding the foregoing, if Lessee desires to sell or otherwise transfer its interest in this Agreement, including its leasehold interest in the Premises and ownership interest in the Improvements thereon, and has obtained a bona fide offer for such sale, Lessee must first offer to sell or otherwise transfer such interest to the City, at the price and on the same terms as such bona fide offer, and the City shall have the right to purchase Lessee's interest under such terms. Such offer must be in writing and provide a copy of the sales agreement showing all terms and conditions of the proposed sale. The City shall have the right for a period of twenty-one (21) days

after receipt of the offer from Lessee to elect to purchase Lessee's interest (the "Election Period"). If the City does not desire to purchase Lessee's interest, Lessee may then sell or otherwise transfer its interest in this Agreement to the person making the said offer, at the price and terms set forth in the offer, subject to the requirements of this Section XIX, including but not limited to the City's prior written consent under subsection A above. If Lessee fails to close such a sale within one hundred twenty (120) days after the expiration of the Election Period, any proposed sale or other transfer thereafter shall again be subject to this Section. This right of the City shall be continuing and shall survive any sale or other transfer of Lessee's interest under this Agreement. The intent of this Section is to require all of Lessee's interests in this Agreement be sold or otherwise transferred intact, without fractionalization.

C. Sale to Third-Party Buyer. In the event Lessee's interest in the Agreement (including the Improvements) are sold to a third-party buyer prior to the end of the Term:

1. This Agreement shall automatically terminate upon the closing of such sale and the City will enter into a new lease between the City and the buyer that is based upon such terms and conditions, including rental rates, of the then-current Airport standard lease form being offered by the City, provided: (i) Lessee is not in default in the payment of any Rent or in any other provisions of this Agreement, is in good standing at the Airport, and submits a current certificate from the City Building Inspector to the Airport Manager that the Improvements are structurally sound and is projected to be sound for the duration of the new lease; and (ii) the new lease is consistent with the Airport's Master Plan then in effect and all federal rules, regulations, directives, and guidelines or other obligations with respect to the Airport, including but not limited to the Grant Assurances. The new lease shall not increase the duration and term of the original lease and shall not be subject to a Lease Origination Fee. The City may, in its sole discretion, offer an extension of duration, and any such extension of duration shall be subject to a Lease Origination Fee.

2. Lessee shall pay a transaction fee to the City based upon the sales price or the current assessor's valuation, whichever is higher, at the time of the sale prior to a new lease being issued according to the then-approved Heber City Consolidated Fee Schedule.

D. Sale to City. In the event the Improvements are sold to the City prior to the end of the Term, the City may deduct from the purchase price any unpaid Rents or amounts due under this Agreement and, upon the closing of such sale, this Agreement shall automatically terminate.

E. Surviving Obligations. Notwithstanding the foregoing, the sale of Lessee's interests in this Agreement pursuant to this Section shall not relieve Lessee of its obligations that expressly or by their nature survive termination of this Agreement, including but not limited to Lessee's environmental obligations and obligation to pay the City Rents and other amounts due under this Agreement that accrued prior to the closing of the sale.

F. Administrative Costs. The City has the option, in its sole discretion, to charge to Lessee for reasonable administrative costs actually incurred when reviewing and processing any requests for assignment, sublease, or transfer pursuant to this Section XIX.

G. Transfer to Affiliates/Continuity of Control. Notwithstanding anything to the contrary in this Agreement, no consent or approval shall be required for any assignment, transfer, or conveyance of this Agreement to (a) a direct subsidiary, or (b) any entity that, following such transfer remains under substantially the same beneficial ownership or control as the transferring party. The City must be notified within 15 days in writing of a transfer to an affiliate entity. Any permitted transferee shall assume all obligations under this Agreement.

XX. LEASEHOLD MORTGAGES

A. Generally. Upon prior written notice to the City, Lessee shall have the right to mortgage or collaterally assign its interest in this Agreement to a bank or other similar intuitional lender (the "Mortgagee"), provided that any such leasehold mortgage or collateral assignment shall be in compliance with this Section XX and shall be subject, subordinate, and inferior at all times to the rights of the City under this Agreement (a "Leasehold Mortgage") and further provided that Lessee's notice to the City of the same shall include the name and address of the Mortgagee and a true copy of the Leasehold Mortgage. The term "Leasehold Mortgage" as used in this Agreement shall include, but not be limited to, a mortgage, a deed of trust, a deed to secure debt, or other security instrument by which Lessee's leasehold estate is mortgaged, conveyed, assigned, or otherwise transferred to secure a debt or other obligation, in connection with the construction of the Improvements.

B. Requirements. In connection with a Leasehold Mortgage, at a minimum the following shall apply: (i) such encumbrance shall only encumber Lessee's leasehold interest for the purpose of securing financing for Lessee's authorized Improvements and no other encumbrance shall be permitted; (ii) such encumbrance shall be subordinate to the City's interests; (iii) the Mortgagee or other lienholder must agree to maintain current contact information with the City and provide the City with concurrent copies of any notices or communications regarding a default; (iv) the Mortgagee or other lienholder must certify to the City that it has reviewed this Agreement and has accepted provisions that may affect the Mortgagee or other lienholder, and that no loan requirements conflict with or erode any provisions of this Agreement; (v) any Lessee default relating to such encumbrance shall be a default of this Agreement; (vi) the Mortgagee or other lienholder must agree that upon any default, the City shall have a lien with first priority on all Lessee-owned property at the Premises, including the Improvements; (vii) the Mortgagee or other lienholder must agree that the City has complete and sole discretion as to whether to approve the substitution of a tenant by the Mortgagee or other lienholder and whether the City terminates this Agreement (which would result in a termination of the Mortgagee's or other lienholder's interests in this Agreement); and (viii) such encumbrance shall terminate prior to the expiration or termination of this Agreement and the Mortgagee or other lienholder must agree to promptly remove such encumbrance when the obligation that it secures has been satisfied.

C. Notice of Default or Termination. The City, upon providing Lessee any notice of default under this Agreement or termination of this Agreement, shall at the same time provide a copy of such notice to the Leasehold Mortgagee by first class U.S. mail at the address specified in the notice given pursuant to Section XX.A above.

D. Opportunity to Cure. The Mortgagee shall have the right to remedy any default under this Agreement or cause the same to be remedied and the City shall accept such performance by or at the insistence of such Mortgagee as if the same had been made by Lessee. From the date Mortgagee receives notice of an occurrence of default as provided this Section, there shall be added to any grace period allowed by the terms of this Agreement, an additional ten (10) days in the case of default in payment of Rent and an additional thirty (30) days in the case of all other defaults, for such Mortgagee to cure the same beyond the time allowed to Lessee. In case of a default, other than failure to pay Rent, the City shall not be empowered to terminate this Agreement by reason of the occurrence of such default if Mortgagee, within thirty (30) days after the giving of notice of such default, commences foreclosure or similar proceedings under the Leasehold Mortgage for the purpose of acquiring Lessee's interest in this Agreement and thereafter diligently prosecutes the same, and shall bring current all payments of Rent and all other sums payable by Lessee hereunder. The Mortgagee may become the legal holder of the leasehold estate under this Agreement by foreclosure of its Leasehold Mortgage or as a result of the assignment of this Agreement in lieu of foreclosure. While such Leasehold Mortgage is in effect, the City shall not accept any surrender of cancellation of this Agreement by Lessee or amend or modify any material provision of this Agreement without the Mortgagee's prior written consent, which such consent shall not be unreasonably withheld or delayed.

E. Assignment. The making of a Leasehold Mortgage shall not be deemed to constitute an assignment or transfer of this Agreement or of the leasehold estate hereby created, nor shall the Leasehold Mortgagee, as such, be deemed to be an assignee or transferee of this Agreement or of the leasehold estate hereby created so as to require such Leasehold Mortgagee, as such, to assume the performance of any of the terms, covenants, or conditions of this Agreement. Any Leasehold Mortgagee who takes an instrument of assignment or transfer in lieu of the foreclosure of the Leasehold Mortgagee shall be deemed to be a permitted assignee or transferee, and shall be deemed to have agreed to perform all of the terms, covenants, and conditions on the part of Lessee to be performed hereunder from and after the date of such purchase and assignment, but only for so long as such purchaser or assignee is the owner of the leasehold estate. If the Leasehold Mortgagee or its designee shall become holder of the leasehold estate and if the Improvements on the Premises shall have been or become materially damaged on, before, or after the date of such purchase and assignment, the Leasehold Mortgagee or its designee shall be obligated to repair, replace, or reconstruct the damaged Improvements.

XXI. DEFAULT AND REMEDIES

A. Default. The occurrence of any of the following, in addition to those specified elsewhere in this Agreement, shall constitute a material breach of this Agreement by Lessee (each, an "Event of Default"):

1. Lessee's failure to pay Rent or any other amounts due hereunder within ten (10) business days of the due date thereof.

2. Lessee's failure to perform or observe any of Lessee's obligations under this Agreement (including those obligations set forth in this Section XXI) that are left uncured for a period of thirty (30) business days after Lessee receives written notice from the City setting forth the failure in question and an opportunity to cure (or, if cure of such failure cannot reasonably be accomplished in the thirty (30) day period, Lessee's failure to commence cure in such period and diligently prosecute the same to completion); provided, however, that the City may in its discretion shorten the applicable cure period in the event of a lapse in required insurance or any condition which creates an imminent safety risk to users of the Airport.

3. Lessee's material default on the covenants and obligations set forth in any other written agreement between the City and Lessee concerning the use or lease of Airport property, as determined by a court of competent jurisdiction's final, non-appealable judgment, after first being provided all applicable notice and cure periods and participating in the agreed upon dispute resolution procedures, if any, thereunder.

4. Lessee's abandonment of the Premises.

5. Lessee's becoming insolvent, taking advantage of any insolvency law or bankruptcy protection, making of a general assignment for the benefit of creditors, or consent to liquidation of all or substantially all of its assets.

6. The assessment of a tax lien or mechanic's lien upon the Premises for unpaid taxes or work that is not resolved within sixty (60) days of Lessee receiving notice of such lien.

7. The filing by Lessee of a voluntary petition in bankruptcy.

8. The institution of proceedings in bankruptcy against Lessee and the adjudication of Lessee as bankrupt pursuant to such proceedings if such adjudication is not vacated or stayed during the sixty (60)-day period following such adjudication.

9. The taking by a court of Lessee and its assets pursuant to proceedings brought under the provisions of any state or federal reorganization act if the judgment of the court is not vacated or stayed during the sixty (60)-day period following such judgment.

10. The appointment of a receiver of Lessee's assets if such appointment by a court is not vacated or stayed during the sixty (60)-day period following such appointment.

11. Lessee's assignment, sublease, transfer, or other conveyance of an interest in this Agreement in violation of Section XIX.

12. Lessee's breach or default of any Leasehold Mortgage (as defined in Section XX herein).

B. Remedies. If an Event of Default occurs, the City, in addition to any remedies available under applicable law, subject to the dispute resolution procedures specified in Section XVIII, may do any one or more of the following:

1. The City may elect to terminate this Agreement upon sixty (60) days' written notice to Lessee.

2. Whether or not this Agreement has been terminated, the City may re-enter and repossess the Premises and may either in its own name, as agent for Lessee if this Agreement has not been terminated, or for its own behalf if this Agreement has been terminated, relet all or any part of the Premises; provided that City shall not be required to accept any tenant proposed by Lessee, or observe any instruction given by Lessee about such reletting. No such re-entry or taking possession of the Premises shall be construed as an election on the City's part to terminate this Agreement unless written notice of such election by the City is given to Lessee. Notwithstanding any such reletting without termination, the City may at any time thereafter elect to terminate this Agreement for any previous breach or default.

3. City may from time to time, without terminating this Agreement, enforce all of its rights and remedies under this Agreement.

C. Mitigation of Damages Following any Event of Default by Lessee, the City shall use commercially reasonable efforts to mitigate its damages. The City's obligation to mitigate damages after an Event of Default by Lessee under this Agreement that results in the City regaining possession of all or part of the Premises shall be satisfied in full if the City undertakes to re-let the Premises to another grantee (a "Substitute Grantee") in accordance with the following criteria:

1. The City shall have no obligation to solicit or entertain negotiations with any prospective Substitute Grantee until the City obtains full and complete possession of the Premises including, without limitation, the final and unappealable legal right to re-let the Premises free of any claim of Lessee;

2. The City shall not be obligated to lease the Premises to a Substitute Grantee for a rental less than fair market rent then prevailing for similar space on the Airport;

3. The City shall not be obligated to enter into a new lease under terms and conditions that are unacceptable to the City under the City's then-current leasing policies for comparable space on the Airport, or incompatible with the Master Plan, Minimum Standards, Rules and Regulations, or Grant Assurances; and

4. The City shall not be obligated to enter into a lease with any proposed Substitute Grantee that does not have sufficient financial resources to maintain the

Premises and operations in a first-class manner and pay all rents payable pursuant to this Agreement.

XXII. RIGHTS OF CANCELLATION AND RELOCATION

A. City's Right of Cancellation or Relocation. In addition to the City's rights under Section XXI, in the event the City determines that it requires use of the Premises for a public purpose or if proper, planned, and orderly development of the Airport shall require that the City devote any part of the Premises to a different use than that contemplated by this Agreement, or in the case of an emergency, the City may take either of the following actions:

1. The City may terminate this agreement upon no less than one hundred twenty (120) days' prior written notice to Lessee, except in the case of an emergency, which shall only require sixty (60) days' prior written notice. Upon such termination, the City shall pay Lessee an amount equal to the fair market value of the Improvements, taking into consideration the then-current condition of the Improvements, their remaining economic life, and the remaining lease term associated with the Premises.

2. The City may elect to relocate Lessee's leased premises to another area on the Airport upon no less than one hundred and twenty (120) days' prior written notice to Lessee, except in the case of an emergency, which shall only require sixty (60) days' prior written notice; provided the City (a) provide Lessee with a replacement premises of no less area and that is substantially similar to the vacated premises, (b) pay the associated costs of relocating the Improvements thereto, (c) recalculate the Rent (if necessary) pursuant to Section IV to reflect the square footage and fair market value of the replacement premises, and (d) amend this Agreement to reflect such relocation. Except as expressly provided herein, all terms and conditions of this Agreement shall apply to the relocated premises and shall continue in full force and effect for the remainder of the Term.

B. Lessee's Right of Cancellation. Lessee may terminate this Agreement without cause with ninety (90) days' prior written notice to the Airport Manager. In the event of such cancellation, Lessee may remove its Improvements and shall restore and return the Premises in accordance with the requirements of this Agreement. If Lessee fails to remove its Improvements and restore the Premises, then the City may do so at Lessee's sole cost and expense.

XXIII. RIGHT OF ENTRY AND INSPECTION

The City may enter upon the Premises at any reasonable time for any purpose necessary, incidental to, or connected with the performance of its obligations under this Agreement, in the exercise of its governmental functions, or in the event of any emergency. Except in the case of the City's governmental functions or an emergency, the City shall give Lessee reasonable advance notice prior to City's entry into Lessee's buildings and improvements.

XXIV. FORCE MAJURE; DESTRUCTION OF PREMISES

A. Neither Party shall be in violation of this Agreement by reason of failure to perform any of its obligations by reason of strikes, boycotts, labor disputes, embargoes, unforeseen shortages of materials, acts of God, acts of public enemy, substantial non-temporary flight restrictions, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible and which are not within its control (each, a "Force Majeure Event"). Upon the cessation or removal of the act or condition giving rise to the excuse of any obligation under this Agreement, the Party so excused from its obligation shall perform as required under this Agreement. Notwithstanding the foregoing, Lessee shall not be relieved of paying any Rent, fees, or other charges due to or during a Force Majeure Event. The Party claiming force majeure shall notify the other Party in writing within five (5) business days following any event or occurrence causing the delay and extent of the delay which may be incurred. Failure to timely so notify shall bar such Party from asserting any claim for that delay.

B. If the Improvements become damaged or destroyed in whole or in part, by a Force Majeure Event or any other casualty at any time during the Term so that the same cannot be repaired within ninety (90) days, Lessee will notify the City in writing within ninety (90) days of the casualty indication whether Lessee will either (i) restore and reconstruct the improvements within one (1) year from the date of the casualty to substantially the same condition the Improvements were in immediately prior to the happening of such casualty, or (ii) terminate the Agreement after restoring the Premises to substantially the same condition it was in prior to constructing the Improvements, to be completed within ninety (90) days of such notice.

C. In no event shall the City be liable to Lessee for any damage resulting to Lessee from the occurrence of a Force Majeure Event or other casualty, from the repair or construction of the Premises, or from the termination of this Agreement under Section XXIV.B.

XXV. EMINENT DOMAIN

A. Allocation of Proceeds. In the event of a condemnation or a taking by the use of eminent domain of all or any part of the Premises, all proceeds of such condemnation or taking shall be apportioned to the City and Lessee as follows:

1. The amount awarded for the taking of the Premises shall belong to the City; and

2. Lessee shall have the right to recover such compensation as may be awarded on account of the value of the Improvements owned and/or made by Lessee, for moving and relocating expenses, for the value of its leasehold interest in the Premises, including but not limited to the loss, if any, sustained by Lessee as a result of the termination of this Agreement for loss of fixtures, moving expenses, and attorneys' fees and costs, and for any other damages sustained by Lessee as a result

of such condemnation, provided that Lessee may not pursue the City for any such costs unless the City is the entity condemning or taking the Improvements.

B. Termination of Agreement. If the condemnation or taking by eminent domain is such that Lessee cannot reasonably or safely use the Premises, then at Lessee's option, the Agreement may be terminated upon sixty (60) days' prior written notice to the City.

C. Continuation of Agreement. In the event of a partial condemnation of the Premises where Lessee still has reasonable use of the Premises, this Agreement shall not be terminated, provided there is an equitable reduction in the amount of Rent payable under this Agreement based on the reduction in square footage. If required by the Mortgagee (if any), all proceeds for a condemnation shall be held by such Mortgagee and distributed by such Mortgagee for the payment of repairs or restoration to the Premises in accordance with the procedures set forth in the Leasehold Mortgage (or such other documents executed in connection therewith).

XXVI. NOTICES

All fees payable shall be delivered to the Heber City Treasurer, 75 North Main Street, Heber City, Utah 84032, or such other place as City shall specify in writing. All Notices to the City shall be sent to the Heber City Airport Manager, located at 630 S Airport Road Heber City, UT 84032.

All notices given under this Agreement to Lessee shall be sent to:

Name: _____

Address: _____

City/State/Zip: _____

Email: _____

Any notices will be deemed to have been given if such written notice is mailed, postage prepaid, first class or registered mail to the addresses above. In addition, any notice that is received by the party, through hand-delivery to the Airport Manager or Lessee's designated representative shall be deemed given. Either Party may change the address to which notices shall thereafter be given upon five (5) days' prior written notice to the other Party.

XXVII. SUBORDINATION

A. Grant Assurances. This Agreement shall be subordinate to the provisions of any existing or future agreements between the City and the United States of America, relative to the operation and maintenance of the Airport, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the City of federal funds for the development of the Airport (the "Grant Assurances"). In the event that this Agreement, either on its own terms or by any other reason, conflicts with or violates the terms of any the Grant Assurances, the City may unilaterally amend, alter,

or otherwise modify the terms of this Agreement in order to resolve such conflict or violation without compromising or destroying any remaining portions of this Agreement, and such remaining provisions shall remain binding and in full effect upon the parties as if no such amendment or alteration had occurred, or, if such conflict or violation cannot be so resolved, City may at its election terminate this Agreement on not less than sixty (60) days' notice thereof, without any liability to Lessee.

B. City's Interests. Lessee hereby subordinates and makes this Agreement inferior to all existing and future mortgages, trust indentures, or other security interest of the City or the City's successor in interest. Lessee shall execute and deliver any documents required to evidence and perfect such subordination.

XXVIII. FEDERAL CLAUSES

Lessee acknowledges that the City is required by the FAA under the terms of its Grant Assurances to include in this Agreement certain required contract provisions, included as **Exhibit 4** hereto ("Federal Clauses"). Lessee agrees to comply with the Federal Clauses and, where applicable, include the Federal Clauses in each of its subcontracts without limitation or alteration. In the event such Federal Clauses are modified by the FAA or other federal agency with jurisdiction, and the City provides Lessee with not less than thirty (30) days' written notice of such modification, Lessee agrees to comply with the modified Federal Clauses without written amendment of this Agreement. Unless prohibited by federal law, the City shall provide Lessee with notice and a reasonable opportunity to cure before exercising any right of termination provided by the Federal Clauses. Lessee acknowledges that a failure to comply with the Federal Clauses pursuant to this Section XXVIII constitutes an Event Of Default.

XXIX. NO EXCLUSIVE RIGHTS

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. § 40103(e).

XXX. NO WAIVER OF RIGHTS

No delay or omission in the exercise of any right or remedy of either Party on any default by either Party of its respective obligations under this Agreement shall impair such a right or remedy or be construed as a waiver. Any waiver by either Party of any default on the part of the other must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

XXXI. AVIGATION EASEMENT

The City reserves for the use and benefit of the public, the right of aircraft to fly in the airspace over the Premises, together with the right of said aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the Airport, and the right to pursue all operations of the Airport.

XXXII. NON-INTERFERENCE WITH AIRPORT OPERATIONS

Lessee expressly agrees for itself, its successors and assigns, and all other Lessee Parties that Lessee shall not conduct operations in or on the Premises in a manner that (i) interferes or might interfere with Airport operations or the reasonable use by others of other leased spaces or common facilities at the Airport, (ii) hinders or might hinder police, fire fighting, or other emergency personnel in the discharge of their duties, (iii) would or would be likely to constitute a hazardous condition at the Airport, (iv) would or would be likely to increase the premiums for insurance policies maintained by the City unless such operations are not otherwise prohibited hereunder and Lessee pays the increase in insurance premiums occasioned by such operations, (v) is contrary to any applicable Grant Assurance; (vi) would contradict or violate any applicable laws or regulations, directive, or similar restriction issued by any governmental authority having jurisdiction over the Airport, including the City, FAA, DHS, TSA, and Customs and Border Patrol, (vii) would involve any illegal purposes, or (viii) directly or indirectly interferes with the operation by the City or the FAA of air navigational, communication, or flight equipment on the Airport. In the event this covenant is breached, the City reserves the right, after prior written notice to Lessee, to enter upon the Premises and cause the abatement of such interference at the expense of Lessee. The City shall have the right to take any action it considers necessary to protect aerial approaches of the Airport against obstructions, together with the right to prevent Lessee from erecting or permitting or causing to be erected any building or other structure which, in the sole opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft. In the event of a breach in Airport security caused by Lessee, resulting in fine or penalty to the City of which Lessee has received prior written notice, such fine or penalty will be charged to Lessee.

XXXIII. EMERGENCY CLOSURES

During time of war or national emergency, the City shall have the right to enter into an agreement with the United States Government for military or naval use of part or all of the landing area, the publicly-owned air navigation facilities, and/or other areas or facilities of the Airport. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with provisions of the agreement with the United States Government, will be suspended. Lessee must comply with all local, state, and federal orders, directives, regulations, guidance, and advisories during public emergencies. Public emergencies include, but are not limited to, national, state, and local security emergencies; public health emergencies and pandemics; evacuations; chemical spills; shelter-in-place alerts; severe weather advisories; boil water advisories; and roadway interruptions. Lessee's failure to comply with any local, state, or federal orders, directives, regulations, guidance, or advisories during a public emergency shall constitute a breach of this Agreement. The City shall have sole discretion in determining if Lessee is compliant with the above. If a public emergency is declared, the City will not be responsible for any expenses or losses incurred as a result of any public emergency.

XXXIV. LIMITATION OF LIABILITY

The City shall not be liable to Lessee or Lessee Parties for any damages or loss caused to them or their property by any of the following: Force Majeure Events, water, rain, wind, snow ice,

sleet, hail, fire, storms, earthquake, volcanic eruption, or any other weather event or condition outside of the City's control; any Airport tenant, user, operator, or any other third party; or by breakage, stoppage, or leakage of utilities on or adjacent to the Premises. In the event of damage or destruction to the Premises, the City is under no obligation to provide substitute space to Lessee.

XXXV. GOVERNING LAW; VENUE; AND ATTORNEY FEES

This Agreement shall be construed in accordance with and governed by the laws of the State of Utah, notwithstanding any conflict-of-law principles. Venue for any action brought pursuant to this Agreement shall be the Fourth Judicial District, Wasatch County, District Court. In the event of litigation to enforce the terms of this Agreement, the prevailing Party (as determined by a final judgment) shall be entitled to recover its reasonable attorney's fees, expert-witness costs, and court costs from the other Party.

XXXVI. TIME OF THE ESSENCE

Time is of the essence in the performance of all of each Party's respective obligations under this Agreement.

XXXVII. AMENDMENTS

No amendment to this Agreement shall be binding on the City or Lessee unless reduced to writing and signed by both Parties. No provision of this Agreement may be waived, except pursuant to a writing executed by the Party against whom the waiver is sought to be enforced.

XXXVIII. SEVERABILITY

If any provision of this Agreement is held to be illegal, invalid, or unenforceable in full or in part, for any reason, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid, and enforceable, and the other provisions of this Agreement shall not be affected thereby.

XXXIX. MERGER

This Agreement constitutes the final, complete, and exclusive agreement between the Parties on the matters contained in this Agreement. All prior and contemporaneous negotiations and agreements between the Parties on the matters contained in this Agreement are expressly merged into and superseded by this Agreement. In entering into this Agreement, neither the City nor Lessee has relied on any statement, representation, warranty, nor agreement of the other except for those expressly contained in this Agreement.

XL. HEADINGS

The headings used in this Agreement, including but not limited to those headings used at the beginning of each numbered section herein, are solely for the convenience of the reader and shall not be construed as part of the agreement between the Parties.

XLI. RELATIONSHIP OF PARTIES

This Agreement does not create any partnership, joint venture, employment, or agency relationship between the Parties. Nothing in this Agreement shall confer upon any other person or entity any right, benefit, or remedy of any nature.

XLII. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement of the parties regarding the matters described herein, and any representations or understandings not included herein shall have no effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have caused these presents to be duly executed, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

HEBER CITY, a Municipal Corporation

APPROVED:

_____
Mayor

_____
Date

LESSEE:

By:_____
Title:

_____
Date

ATTEST:

_____
City Recorder

_____
Date

APPROVED AS TO FORM:

_____
City Attorney

_____
Date

Exhibit 1

Premises

[TBD]

Exhibit 2

Snow Removal Plan

[TBD]

Exhibit 3

Dispute Resolution Protocol

A. Notice and Opportunity to Cure. Any notices will be deemed to have been given if such written notice is mailed, postage prepaid, first class or registered mail to the addresses above. In addition, any notice that is received by the party, through hand-delivery, email or other means, shall be deemed given. Either Party may change the address to which notices shall thereafter be given upon five (5) days' prior written notice to the other Party. Unless a shorter cure period or right to immediate termination is expressly provided in this Agreement, no Party shall be considered in default of any provision of this Agreement, or any covenant or obligation pertaining to the use or occupancy of Airport property, and no right of termination shall arise, unless and until the counter-Party has provided such Party with written notice of default and not less than thirty (30) days to cure such default or, if the default is not capable of cure within thirty (30) days, such Party has within thirty (30) days commenced, and thereafter diligently proceeds to complete, those actions reasonably necessary to cure such Party's default.

B. Jurisdiction, Venue and Applicable Law. With respect to an action to enforce the terms and conditions of this Agreement only, the Parties consent to the exercise of jurisdiction of Fourth Judicial District, Wasatch County, District Court and hereby agree that the venue of any action with respect to the enforcement of the terms and conditions of this Agreement shall be properly placed before this same court. This Agreement shall be interpreted under the laws of the State of Utah.

C. Emergency Relief. No Party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and is not otherwise available under this Agreement.

D. FAA Disputes. The Parties understand and acknowledge the FAA's exclusive jurisdiction to determine the City's compliance with its federal Grant Assurance obligations (a "Compliance Dispute"), and that any remedies which may be imposed by the FAA for noncompliance therewith are exclusive. Accordingly, in the event of a Compliance Dispute, and after exhausting the procedures described in Paragraphs A and B hereof, either Party may initiate an informal or formal complaint proceeding with the FAA in accordance with 14 C.F.R. Parts 13 and 16 or similar succeeding provisions, without regard to the other provisions hereof.

Exhibit 4

FAA Required Contract Clauses

Heber City Council Staff Report

MEETING DATE: 6/16/2026

SUBJECT: Water Conservation Status Report and Resolution 2026-14: A Resolution of the Heber City Council Adopting a Phase of the Heber City Water Shortage Plan

RESPONSIBLE: Russ Funk

DEPARTMENT: Administrative

STRATEGIC RELEVANCE:

SUMMARY

Due to the limited snow accumulation across the Wasatch Back during the 2025–2026 water season, Staff provided a report in May outlining statewide and local drought conditions along with the applicable response protocols.

Since that time, the Governor's Office declared a statewide state of emergency, with more than 60% of Utah now experiencing extreme drought conditions. As a result, Staff recommends that the City consider implementing either **Phase II or III** of the City's Water Shortage Plan.

RECOMMENDATION

In coordination with, and subject to the City Engineer's verification, findings and recommendation of the above, it is Staff's recommendation to consider implementing the Water Shortage Phase II or III, and if there is any implementation, a determination that such implementation is necessary to protect public health, safety, and welfare.

BACKGROUND

Gov. Cox designated all 29 Utah counties as being in "severe drought," with 22 of those experiencing extreme drought.

In response, the City's Water Shortage Plan "Plan", provides the following directive.

When such notices, advisories, directives, or mandates are issued, City staff provide recommendations to the City Council, which then considers, gives direction and implements appropriate measures consistent with the applicable Plan and State guidance.

Phase II: Moderate Water Shortage – Voluntary Action Required. This phase is a cautionary phase in which water users are informed that the City is experiencing drought conditions and all indications are that this condition will extend for the rest of the outdoor water season (April 15 to October 15).

Water users are asked to follow the voluntary conservation measures of this phase.

Voluntary Measures Lawn Watering: Limit watering during periods of precipitation, windy days, and between the hours of 10:00 a.m. and 6:00 p.m. Outdoor watering should be limited to three days each week for residential and commercial users during peak months (June, July, and August).

Outdoor watering for off-peak months (April, May, September, and October) should be limited to twice per week.

Vehicle Washing: If washing vehicles at home, limit to bucket washing with hose nozzle. Wash vehicle on a permeable surface such as lawn. Swimming Pools: cover pools when not in use and reduce the water level in pools by four inches below spill line to prevent water loss.

Hard Surface Washing: Limit hard surface washing except for health and safety reasons.

Trigger: This phase can be initiated when CUWCD and/or the Provo River Commissioner notify the City and other local communities that snowpack, river flows, and reservoir levels are below normal and secondary water supplies may not last through the entire irrigation season. Other supporting data shows that supply levels are not projected to improve. Demand levels indicate the need for a more systematic response to manage current water supply.

Objective: Reduce demand to meet target consumption levels achieved by voluntary conservation measures; Postpone the enactment of Phase III and more stringent action; Minimize the impact to water users while meeting the targeted water use.

Termination of Phase: the City Council may revert to Phase I when the conditions and triggers listed have ceased to exist for a reasonable period. Upon termination of Phase II, the Normal Water Conditions Phase becomes effective unless otherwise stated.

Water Use Reduction: A target of a City wide 5% reduction in water usage.

Phase III:

Trigger: This phase can be initiated when the Governor of the State of Utah or other applicable local water suppliers issue a State of Emergency due to drought or the City water supply is 30% lower than normal and supply levels during Phase II have not improved, or if demand levels require a greater need for a systematic response to manage the situation.

Moderate to Severe Water Shortage – The Plan outlines Voluntary and Mandatory Restrictions Mandatory and Voluntary restrictions, and apply to residential, commercial, and government users.

Mandatory Measures Lawn Watering: Restrict/prohibit watering during periods of precipitation, windy days, and between the hours of 10:00 a.m. and 6:00 p.m. Outdoor watering is restricted to three days each week for residential and commercial users during peak months (June, July, and August).

Outdoor watering for off peak months (April, May, September, and October) is restricted to twice per week. Swimming Pools: Cover pools when not in use and reduce the water level in pools by four inches below spill line to prevent water loss.

Hard Surface Washing: Limit hard surface washing except for health and safety reasons.

Voluntary Measures Vehicle Washing: If washing vehicles at home, limit to bucket washing with hose nozzle (So water is not running non-stop). Wash vehicle on a permeable surface such as lawn. Washing vehicles at commercial car lots is restricted to once per month and at time of sale.

Outdoor Fountains: Turn off fountains that spray above the water level of the pond or fountain surface.

Recreation Sprinklers and Outdoor Water Toys: Limit outdoor activities that waste water.

Objective: Reduce demand to achieve target consumption levels and goals by restricting water use. Ensure adequate water supply during the period of restriction to protect public safety and minimize disruption to water users while meeting consumption goals.

Termination of phase: the City Council may revert to Phase II (Moderate Water Shortage) when the Phase III conditions and triggers cease to exist for a reasonable period of time. Upon termination of Phase III, Phase II becomes effective unless otherwise stated.

The Plan instructs that Heber City water users should be informed of which phase is in effect through public messages on City owned websites, social media, or through utility bills. In the case of Phase IV restrictions, additional means will be used to ensure City residents are aware of the current restrictions. Each phase includes unrestricted, voluntary, and/or mandatory water conservation actions to preserve the current water supply and mitigate further water shortages. The Plan provides a table as a summary of the restrictions required for each phase of the Plan.

City Public Works and Engineering have traditionally, and are currently employing recommendations and suggested practices for water use, and as circumstances dictate, under the directives of the City Council, and subject to City Code and the City's Plan, implement water restrictions.

Additionally, as a proactive conservation measure during ongoing drought conditions, the City, through its Public Works Department and in coordination with the City's Social Media Official, has been, and continues to issue media releases, newsletter updates, and public service announcements encouraging voluntary water conservation. These communications provide residents and businesses with recommendations, conservation tips, and reminders to use water more responsibly given the current situation.

Historically, the City has limited its actions to voluntary water conservation measures unless additional restrictions or directives are issued by the State, local water districts, or Central Utah Water Users. When such notices, advisories, directives, or mandates are issued, City staff provide recommendations to the City Council, which then considers and implements appropriate measures consistent with the applicable Plan and State guidance.

Heber City's Water Shortage Plan, the City's conservation guidelines, and current water efficiency ordinances are found on the City's website, www.heberut.gov.

The City's Public Works Department is trying to monitor outdoor watering during the day, to determine and verify that secondary water use is within the City's schedule for watering, (limiting watering between the hours of 10:00 a.m. and 6:00 p.m.), and that watering is limited during periods of rain, and windy days. Also, as indicated above, the Department is preparing social notices and formulating a way to demonstrate and show the amount of water use.

Under Utah water law, all water users, including the City, residents, businesses, and developers—are subject to the same State-administered water rights system during drought conditions. Development projects are not exempt from drought-related restrictions simply because they hold or acquire water shares.

When water shortages occur, the State administers water use according to the priority of established water rights. Senior water rights, or those established earlier in time, are entitled to receive available water before junior rights are served. As a result, during severe drought years, holders of junior water rights, including certain development-related rights, may face reductions or curtailment of water use.

Accordingly, developers are subject to the same restrictions and regulatory oversight as the City and its residents. Any limitations, conservation measures, or State-imposed curtailments apply consistently across all water users based on the legal priority of their water rights, not on the type of user or development status.

DISCUSSION

Water Use Priorities The risks to public health from water shortages can be high and include issues of water quality, water quantity, sanitation, and hygiene for personal use and food preparation. To help address these issues, the Heber City Water Shortage Plan “The Plan” establishes priorities for use in developing demand reduction programs and allocations during a water shortage emergency. Priorities for use of available water, from highest to lowest priority, are:

1. Health and safety: residential home interior uses, medical, sanitation, and fire fighting

2. Commercial, industrial, and governmental: maintain jobs and economic base

3. Existing landscaping: primarily trees and shrubs 4. New demand: projects without permits when shortage declared.

Authorization The Heber City Council directs the implementation of the applicable provisions of the Plan upon recommendations from City Staff in the determination that such implementation is necessary to protect public health, safety, and welfare. The City Council has authority to initiate or terminate drought or other water supply emergency response measures as described in the Plan.

Water Shortage Phases Heber City coordinates with the Central Utah Water Conservancy District (CUWCD, along with other local agencies and water suppliers to determine the extent of the drought impact to the Heber Valley and its water supplies and will take appropriate action as described in the Plan.

Chris York from the CUWCD has been invited to answer questions about the water situation in Utah and Wasatch County Specifically, to assist the Council in its determination of which Phase to implement.

Based on current water supply and conditions, the City may implement an appropriate water shortage phase for a given time frame, as outlined below. Each phase is enacted by the City Council after receiving recommendations from City Staff.

Water shortage levels have been categorized into four phases according to water availability. The Plan labels and color codes each phase to illustrate when a phase should be in effect.

- Phase I: Normal Water Conditions – Standard Conservation Goals (Green)
- Phase II: Moderate Water Shortage (Yellow)
- Phase III: Moderate to Severe Water Shortage (Orange)
- Phase IV: Severe Water Shortage (Red)

Exception Protocols Administrative exceptions of the restrictions in the Water Shortage Management Plan may be granted by the City Council provided that the general intent of the Plan and its measures are met. Exceptions may also be granted if compliance is proving to cause practical difficulties and unnecessary hardship, and all reasonable options for abatement through modified water management have been exhausted. The criteria for determining hardship shall include, but not be limited to, the level of shortage and time required to achieve compliance. Exceptions may also be issued for a time specific period and shall stipulate both short-term and long-term measures and a schedule for termination of the exception. Such exceptions may be renewed for good cause shown. A decision to approve or deny exceptions requests will be based upon consideration of criteria including but not limited to impact on water demand, expected duration of the current water shortage, alternative water supply options available to the city, social and economic importance, purpose of water use, and the prevention of structural damage.

FISCAL IMPACT

N/A

CONCLUSION

See above.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

*"I move that, in coordination with and subject to the City Engineer's verification, findings, and recommendations as outlined above, the City implement **Phase II** of the Water Shortage Plan, as necessary to protect the public health, safety, and welfare; and that the City's Public Works Department work in coordination with the City's Social Media Official, to issue media releases, newsletter updates, and public service announcements encouraging voluntary water conservation."*

*"I move that, in coordination with and subject to the City Engineer's verification, findings, and recommendations as outlined above, the City implement **Phase III** of the Water Shortage Plan, as necessary to protect the public health, safety, and welfare; and that the City's Public Works Department work in coordination with the City's Social Media Official, to issue media releases, newsletter updates, and public service announcements encouraging voluntary water conservation."*

*"I move that, in coordination with and subject to the City Engineer's verification, findings, and recommendations as outlined above, the City remain in **Phase I** of the Water Shortage Plan, until further notice and updates."*

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue

I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:

Alternative 4 - Denial

I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member: Russ Funk, City Engineer

EXHIBITS

1. Resolution Adopting the City's Water Shortage Plan Phase 2 2026
2. Resolution Adopting the City's Water Shortage Plan Phase 3 2026

RESOLUTION NO. 2026-14

RESOLUTION NO. 2026-__

A RESOLUTION OF THE HEBER CITY COUNCIL ADOPTING PHASE 2 OF THE HEBER CITY WATER SHORTAGE PLAN

WHEREAS, Heber City is a municipal corporation organized under Utah Code Title 10, with authority to manage and conserve municipal water resources for the health, safety, and welfare of its residents; and

WHEREAS, Utah law, including Utah Code § 73-2-22, allows municipalities to prepare, maintain, and implement water conservation and shortage response measures to ensure reliable water supply during periods of drought, emergency, or system capacity limitations; and

WHEREAS, the Heber City Water Shortage Plan ("the Plan") establishes four escalating phases of water shortage response, each designed to protect the City's water system, maintain essential public services, and promote responsible water stewardship; and

WHEREAS, the State Governor's Office has recently declared a statewide state of emergency, with more than 60% of Utah now experiencing extreme drought conditions; and current hydrologic conditions, system demand data, and supply projections reviewed by the City Engineer indicate that water availability has reached thresholds defined in the Plan as requiring implementation of Phase 2 – City is experiencing drought conditions and all indications are that this condition will extend for the rest of the outdoor water season; and

WHEREAS, the City Engineer has recommended that the City Council formally adopt Phase 2 in accordance with the Plan and authorize enforcement of the associated restrictions; and

WHEREAS, the Heber City Council finds that for now, adoption of Phase 2 is in the best interest of the public, is consistent with Utah law, and is necessary to prolong the long-term reliability of the City's water system, and possibly protect public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF HEBER CITY, UTAH, THAT:

1. Adoption of Phase 2.

The Heber City Council hereby **adopts and activates Phase 2 – Moderate to Severe Shortage** of the Heber City Water Shortage Plan, effective immediately upon passage of this Resolution.

2. Implementation and Enforcement.

City Staff, under the direction of the City Manager and City Engineer, and subject to approval of the City Council, are authorized and directed to implement and enforce all Phase 2 measures, including but not limited to:

Voluntary Measures Lawn Watering: Limit watering during periods of precipitation, windy days, and between the hours of 10:00 a.m. and 6:00 p.m. Outdoor watering should be limited to three days each week for residential and commercial users during peak months (June, July, and August).

Outdoor watering for off-peak months (April, May, September, and October) should be limited to twice per week.

Vehicle Washing: If washing vehicles at home, limit to bucket washing with hose nozzle. Wash vehicle on a permeable surface such as lawn. Swimming Pools: cover pools when not in use and reduce the water level in pools by four inches below spill line to prevent water loss.

Hard Surface Washing: Limit hard surface washing except for health and safety reasons.

Trigger: This phase can be initiated when CUWCD and/or the Provo River Commissioner notify the City and other local communities that snowpack, river flows, and reservoir levels are below normal and secondary water supplies may not last through the entire irrigation season. Other supporting data shows that supply levels are not projected to improve. Demand levels indicate the need for a more systematic response to manage current water supply.

Objective: Reduce demand to meet target consumption levels achieved by voluntary conservation measures; Postpone the enactment of Phase III and more stringent action; Minimize the impact to water users while meeting the targeted water use.

Termination of Phase: the City Council may revert to Phase I when the conditions and triggers listed have ceased to exist for a reasonable period. Upon termination of Phase II, the Normal Water Conditions Phase becomes effective unless otherwise stated.

3. Public Notification.

The City shall provide timely public notice of Phase 2 activation through the City website, social media, utility billing inserts, and may use other communication channels to ensure broad community awareness.

4. Review and Adjustment.

Based upon Staff Recommendation, the Council may modify, escalate, or rescind Phase 2 based on updated data and recommendations.

5. Severability.

If any provision of this Resolution is found invalid, the remaining provisions shall remain in full force and effect.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Heber City, Utah, that Resolution 2026-___ is hereby adopted, **ADOPTING PHASE 2 OF THE HEBER CITY WATER SHORTAGE PLAN.**

BE IT FURTHER RESOLVED that this Adoption shall take effect immediately upon adoption.

PASSED AND ADOPTED this 16th day of June, 2026, by the Heber City Council, State of Utah.

	AYE	NAY	ABSENT	ABSTAIN
Yvonne M. Barney	_____	_____	_____	_____
Aaron Cheatwood	_____	_____	_____	_____
Mike Johnston	_____	_____	_____	_____
Sid Ostergaard	_____	_____	_____	_____
Morgan Murdock	_____	_____	_____	_____

APPROVED:

_____
Mayor Heidi Franco

ATTEST:

_____ Date: _____
RECORDER

RESOLUTION NO. 2026-14

RESOLUTION NO. 2026-__

A RESOLUTION OF THE HEBER CITY COUNCIL ADOPTING PHASE 3 OF THE HEBER CITY WATER SHORTAGE PLAN

WHEREAS, Heber City is a municipal corporation organized under Utah Code Title 10, with authority to manage and conserve municipal water resources for the health, safety, and welfare of its residents; and

WHEREAS, Utah law, including Utah Code § 73-2-22, allows municipalities to prepare, maintain, and implement water conservation and shortage response measures to ensure reliable water supply during periods of drought, emergency, or system capacity limitations; and

WHEREAS, the Heber City Water Shortage Plan ("the Plan") establishes four escalating phases of water shortage response, each designed to protect the City's water system, maintain essential public services, and promote responsible water stewardship; and

WHEREAS, the State Governor's Office has recently declared a statewide state of emergency, with more than 60% of Utah now experiencing extreme drought conditions; and current hydrologic conditions, system demand data, and supply projections reviewed by the City Engineer indicate that water availability has reached thresholds defined in the Plan as requiring implementation of Phase 3 – Moderate to Severe Shortage; and

WHEREAS, the City Engineer has recommended that the City Council formally adopt Phase 3 in accordance with the Plan and authorize enforcement of the associated restrictions; and

WHEREAS, the Heber City Council finds that adoption of Phase 3 is in the best interest of the public, is consistent with Utah law, and is necessary to prolong the long-term reliability of the City's water system, and possibly protect public health, safety, and welfare.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF HEBER CITY, UTAH, THAT:

1. Adoption of Phase 3.

The Heber City Council hereby **adopts and activates Phase 3 – Moderate to Severe Shortage** of the Heber City Water Shortage Plan, effective immediately upon passage of this Resolution.

2. Implementation and Enforcement.

City Staff, under the direction of the City Manager and City Engineer, and subject to approval of the City Council, are authorized and directed to implement and enforce all Phase 3 measures, including but not limited to:

- Mandatory outdoor irrigation restrictions and watering schedules
- Suspension or restriction of some specified non-essential water uses as defined in the Plan
- Recommendation for Voluntary Measures of conservation in other specified non-essential water uses as defined in the Plan.
- Increased monitoring of system demand and compliance
- Issuance of warnings, citations, or penalties as authorized by City ordinance

3. Public Notification.

The City shall provide timely public notice of Phase 3 activation through the City website, social media, utility billing inserts, and may use other communication channels to ensure broad community awareness.

4. Review and Adjustment.

Based upon Staff Recommendation, the Council may modify, escalate, or rescind Phase 3 based on updated data and recommendations.

5. Severability.

If any provision of this Resolution is found invalid, the remaining provisions shall remain in full force and effect.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Heber City, Utah, that Resolution 2026-___ is hereby adopted, **ADOPTING PHASE 3 OF THE HEBER CITY WATER SHORTAGE PLAN.**

BE IT FURTHER RESOLVED that this Adoption shall take effect immediately upon adoption.

PASSED AND ADOPTED this 16th day of June, 2026, by the Heber City Council, State of Utah.

	AYE	NAY	ABSENT	ABSTAIN
Yvonne M. Barney	_____	_____	_____	_____
Aaron Cheatwood	_____	_____	_____	_____

Mike Johnston	_____	_____	_____	_____
Sid Ostergaard	_____	_____	_____	_____
Morgan Murdock	_____	_____	_____	_____

APPROVED:

_____
Mayor Heidi Franco

ATTEST:

_____ Date: _____
RECORDER

Heber City Council Staff Report

MEETING DATE: 6/16/2026
SUBJECT: Amended and Restated Fixed Based Operator (FBO) Lease
RESPONSIBLE: Matt Brower
DEPARTMENT: Administrative
STRATEGIC RELEVANCE:

SUMMARY

City staff has completed negotiations of an Amended and Restated Ground Lease and Fixed Base Operator Agreement with AH Aero Service, Inc. d/b/a OK3 AIR, in accordance with the Settlement Agreement and Mutual Release dated June 29, 2023, which resolved prior litigation between the parties, and seeks City Council approval to enter into the negotiated Agreement with OK3 AIR.

RECOMMENDATION

That the City Council authorize the City Manager to enter into the Ground Lease and Fixed Base Operator Agreement with OK3 AIR substantially in the form as attached to this Staff Report.

BACKGROUND

On June 29, 2023, the City entered into a Settlement Agreement and Mutual Release (the "Settlement Agreement") resolving prior litigation between the City and OK3 AIR. The Settlement Agreement required the parties to negotiate an amended and restated FBO lease that memorialized the terms of the existing FBO lease, as amended by the Settlement Agreement, and which:

- Allows for the expansion of OK3 AIR's leasehold pursuant to the Predevelopment Agreement executed between the parties on June 29, 2023 (the "Predevelopment Agreement");
- Is coterminous with the existing FBO lease, with adjustments to the term as established by the provisions of the Predevelopment Agreement; and
- Replaces the existing Section 3 of the FBO lease, pertaining to OK3 AIR's rights with respect to changes to the Minimum Standards, with an alternative provision grandfathering OK3 AIR's operations under the existing Minimum Standards, upon certain triggering events.

Aside from these changes, the new FBO lease was intended only to modernize the form of the lease and boilerplate provisions, and the parties agreed through the Settlement Agreement that they would not seek to renegotiate any material terms in preparing the new FBO lease.

Notwithstanding the foregoing agreement, the parties mutually agreed to take advantage of this

opportunity to negotiate clearer language regarding the City's right to periodically increase the fuel flowage fees at the Airport. Council will recall that the City deferred any adjustment to fuel flowages in adopting revised Rates and Charges at the Airport earlier this year. The new, proposed FBO lease would increase fuel flowage fees to eight cents per gallon for Jet-A, and seven cents per gallon for avgas. OK3 AIR has agreed to make these increased fuel flowage fee payments retroactive to January 1, 2026, of this year, in light of delays in finalizing the new, proposed FBO lease. Going forward, the parties will have much greater clarity on how to periodically calculate increases to the fuel flowage fee.

DISCUSSION

FISCAL IMPACT

Based on FY25 fuel deliveries of approximately _____ gallons, staff anticipates that the recommended fuel flowage fee increase will yield between $_____and $_____ in additional annual revenue, depending on the relative volume of avgas and Jet-A sold. The City does not have a separate accounting of the volumes of each fuel type sold at the Airport.
The rental rate for the FBO premises was already increased in accordance with the Third Addendum to the existing FBO lease, which is incorporated in this amended and restated lease.

CONCLUSION

It is our recommendation that City Council authorize the City Manager to enter into the new, proposed FBO lease with OK3 AIR.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Administrative
Staff member:

EXHIBITS

1. 2026-06-08 - OK3 New FBO Ground Lease (2470563.1)
2. Litera Compare Redline - 2025-12-04 - OK3 New FBO Ground Lease-2074629-v8 and 2026-06-08 - OK3 New FBO Ground Lease (Final)-2074629-v14
3. OK3 Retroactive fuel flowage fee confirmation e-mail

GROUND LEASE AND
FIXED BASE OPERATOR AGREEMENT

This Ground Lease and Fixed Base Operator Agreement ("AGREEMENT") is made and entered into this ___ day of _____, 2026, by and between the Heber City Corporation (the "CITY") and AH Aero Service, Inc. d/b/a OK3 AIR ("LESSEE"). LESSEE and the CITY may be referred to throughout this AGREEMENT individually as a "PARTY" and collectively, the "PARTIES".

WHEREAS, the CITY owns and operates the Heber Valley Airport located in Heber City, Wasatch County, Utah ("AIRPORT"), and is the sponsor of the AIRPORT under federal law;

WHEREAS, LESSEE is a full-service fixed base operator ("FBO") located on the AIRPORT, providing aircraft maintenance, ramp parking, fueling, de-icing, overnight hangar services, and other services pursuant to that certain Amended Agreement dated January 8, 1995, originally between the CITY and High City Aviation, Inc., and later assigned to LESSEE, and as amended by the Addendum to Amended 1995 Airport Agreement dated May 8, 2012, the Addendum to the 1995 Airport Agreement dated January 26, 2015, and the Addendum to the 1995 Airport Agreement dated June 29, 2023 (the "FBO LEASE ADDENDUM" and, collectively with the 1995 Airport Agreement and all prior addenda, the "ORIGINAL FBO LEASE").

WHEREAS, LESSEE and the CITY entered into a Settlement Agreement and Mutual Release dated June 29, 2023, which resolves certain claims and potential claims among the PARTIES (the "SETTLEMENT AGREEMENT"), and contemporaneously entered into a Predevelopment Agreement addressing, among other items, the relocation and expansion of LESSEE's leased property as a result of the AIRPORT upgrades proposed in the Airport Layout Plan and Master Plan (the "PREDEVELOPMENT AGREEMENT").

WHEREAS, the SETTLEMENT AGREEMENT and the PREDEVELOPMENT AGREEMENT each contemplate that LESSEE and the CITY will enter into a new FBO lease and this AGREEMENT is that new FBO lease.

WHEREAS, LESSEE desires to continue leasing a parcel of land on the AIRPORT for the purpose of developing, operating, and maintaining an FBO and providing such additional services as may be both desired by LESSEE and authorized by the CITY; and

WHEREAS, LESSEE shall use the PREMISES as herein defined only for such uses and purposes that are expressly set forth in this AGREEMENT;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the CITY and LESSEE agree as follows:

I. PREMISES

A. The CITY leases to LESSEE, and LESSEE takes from the CITY for its use, that certain real property at the AIRPORT that is fully described on **Exhibit 1** attached and made part hereof ("PREMISES") for the purpose of developing, constructing, and operating an FBO. Per Section VI.A.1 of the PREDEVELOPMENT AGREEMENT, LESSEE may notify the CITY of

additional land to be included in the PREMISES and the PARTIES agree to execute an addendum to this AGREEMENT to (i) replace the existing **Exhibit 1** to depict the revised PREMISES and (ii) revise the BASE RATE as described in Section VI.A.1 of the PREDEVELOPMENT AGREEMENT.

B. LESSEE accepts the PREMISES "as is" in the condition existing upon the EFFECTIVE DATE (defined in Section II) or, in the case of the PREMISES later added to this AGREEMENT through Section VI.A.1 of the PREDEVELOPMENT AGREEMENT, in the condition existing upon the date of the addendum memorializing the same. LESSEE's acceptance of the PREMISES shall be conclusive evidence that its condition is satisfactory to LESSEE for LESSEE's intended purposes. The CITY makes no representation or warranty respecting the condition of the PREMISES as it now exists or may hereafter be added.

II. TERM

This AGREEMENT shall be effective on the date first written above (the "EFFECTIVE DATE") and shall continue until May 31, 2058, unless sooner terminated as set forth herein (the "TERM"). LESSEE shall have the option to extend the TERM for one additional fifteen (15) year period (the "EXTENDED TERM"), provided that: (i) LESSEE provides written notice to the CITY of its intention to seek the EXTENDED TERM no earlier than May 31, 2048 nor later than May 31, 2057; (ii) such written notice sets forth proposed capital improvements in facilities that contribute to the operation of an FBO, including but not limited to hangars, ramp, and fuel farm (the "ADDITIONAL IMPROVEMENTS") which collectively total not less than $1.5 million in ADJUSTED DOLLARS (defined below); (iii) LESSEE undertakes and completes, in accordance with the provisions of this AGREEMENT and at its sole expense, the ADDITIONAL IMPROVEMENTS no later than May 31, 2058; and (iv) LESSEE provides the CITY with a statement of the actual costs of the ADDITIONAL IMPROVEMENTS, certified by LESSEE's chief financial officer. Upon the satisfaction of the foregoing conditions, the TERM shall be automatically extended and the CITY shall confirm in writing the EXTENDED TERM. Failure to provide such confirmation will not impact the extension of the TERM so long as LESSEE has complied with this Section II. For the purposes of this AGREEMENT, "ADJUSTED DOLLARS" shall mean the dollar amount indicated in this AGREEMENT multiplied by that fraction the numerator of which is the revised Bureau of Labor Statistics Mountain-Plains Consumer Price Index (the "INDEX") for December of the preceding year and the denominator of which is the INDEX for December 2022. Furthermore, in accordance with the terms of the PREDEVELOPMENT AGREEMENT, the TERM may be adjusted further based on certain milestones described in Section VI of the PREDEVELOPMENT AGREEMENT.

III. HOLDING OVER

A. If LESSEE should hold over and continue in possession of the PREMISES or any portion thereof after termination of the TERM or any renewal or extension thereof, LESSEE's continued occupancy of the PREMISES shall be deemed a tenancy from month to month with respect to such retained portion at a rental rate of one hundred fifty percent (150%) of the BASE RENT due under this AGREEMENT for the month prior to the holdover, subject to all the terms and conditions of this AGREEMENT. The CITY may terminate the holdover tenancy at any time by providing thirty (30) days' prior written notice to LESSEE.

B. If LESSEE shall holdover and fail to surrender the PREMISES upon termination of this AGREEMENT without the CITY's consent then, in addition to any other liabilities to the CITY arising therefrom, LESSEE shall and does hereby agree to indemnify, defend, and hold the CITY harmless from any loss or liability resulting from LESSEE's failure to surrender the PREMISES, including but not limited to claims made by any succeeding tenant.

IV. CONSTRUCTION AND IMPROVEMENT OF FACILITIES

A. LESSEE, at its sole expense and subject to the CITY's approval as set forth below, may construct or install in or on the PREMISES, in accordance with all applicable laws and ordinances, local rules and regulations and FAA requirements, such buildings, structures, or improvements, or modifications, revisions, or alterations thereto, that LESSEE shall determine to be appropriate for use in connection with its operations under this AGREEMENT; provided, that LESSEE may not cause or permit any improvement on the PREMISES to conflict with the Master Plan or Airport Layout Plan existing at such time and as on file with the FAA.

B. The CITY shall have the right to inspect the plans and specifications of any such buildings, structures, and improvements proposed by LESSEE prior to the construction or installation thereof and to refuse to permit such construction or installation if the external appearance thereof is materially inconsistent with the uniform appearance of existing buildings or structures or does not meet the CITY's uniform and duly adopted regulations or policies, if any, relating to substantial uniformity of appearance of all buildings and structures on the AIRPORT or the safe use of the AIRPORT by others; provided, however, that the CITY's approval shall not be unreasonably conditioned, withheld, or delayed.

C. LESSEE shall cause all improvements or alterations authorized to be constructed hereunder only by a contractor properly licensed by the State of Utah. LESSEE shall be solely responsible for payment to such contractor for all elements of such construction, and shall keep the PREMISES free and clear of all construction liens resulting from any construction by or on behalf of LESSEE. LESSEE may contest the correctness or validity of any such lien, but shall indemnify, defend, and hold harmless the CITY, its elected representatives, offices, agents, and employees, and the PREMISES from any and all claims and liability for payment of any such lien. The CITY may file a notice of no responsibility for its lien protection.

D. If any construction, improvement, alteration, modification, addition, repair, or replacement that requires the CITY's approval, under applicable laws and ordinances, local rules and regulations and FAA requirements, is made without the CITY's prior written approval, the CITY may, in its sole and unfettered discretion, elect to require LESSEE to restore the PREMISES to its prior condition and/or modify the PREMISES to the satisfaction of the CITY. The failure to commence and diligently prosecute such removal or modification within thirty (30) days following receipt of notice by the CITY shall constitute an EVENT OF DEFAULT (defined in Section XXI.A).

E. Except as provided in the PREDEVELOPMENT AGREEMENT, LESSEE acknowledges that the CITY shall have no responsibility or obligation to make or maintain any improvements to the PREMISES or to the public roadway and utility access to the PREMISES. LESSEE acknowledges that, except as provided in the PREDEVELOPMENT AGREEMENT, it

will be responsible for constructing ramp, taxiways, taxi-lanes, connectors, or other infrastructure necessary to provide access from the PREMISES to the public areas of the AIRPORT.

V. TITLE TO PROPERTY AT EXPIRATION OF AGREEMENT

At the expiration of this AGREEMENT, or upon the AGREEMENT being terminated due to the default of LESSEE or for any other reason, any and all property, except trade fixtures or equipment of LESSEE, its guests, business invitees, licensees, employees, agents, contractors, assigns, subtenants, or other person claiming under LESSEE, shall become the sole property of the CITY. Any trade fixtures or equipment not removed within thirty (30) business days of expiration or termination shall become the property of the CITY. Notwithstanding the foregoing, nothing herein shall be construed to deprive the CITY of the right to demand that LESSEE remove, at LESSEE's sole expense, all or any part of any property left behind and to restore the PREMISES to its original condition and such other improvements or alterations authorized by the CITY pursuant to Section IV above, which the CITY expressly reserves. In that event, the CITY also reserves the right to charge LESSEE for the removal of any property not removed plus reasonable administrative costs.

VI. PRIVILEGES GRANTED TO LESSEE

The CITY grants to LESSEE the following rights and privileges, subject to LESSEE's compliance with the MINIMUM STANDARDS (except as provided in Section XVIII), all lawful rules and regulations governing conduct at the AIRPORT and operations thereon promulgated from time to time by the CITY (the "RULES AND REGULATIONS"), and all orders, rules and/or regulations of the FAA, Transportation Security Administration ("TSA"), Department of Homeland Security ("DHS"), and Environmental Protection Agency ("EPA"):

A. The exclusive right to use the PREMISES in connection with the conduct of operating an FBO at the AIRPORT, as defined by, and meeting all requirements stated in, the MINIMUM STANDARDS, as they may be from time to time amended in accordance with Section XVIII, and for no other purpose, unless expressly authorized by the CITY in writing;

B. The right to use, in common with others, the facilities and improvements owned or constructed by the CITY which are of a public nature and available for public use;

C. The right of ingress and egress from the PREMISES for LESSEE's employees, agents, and customers to the extent reasonably necessary in connection with LESSEE's operations as authorized by this AGREEMENT;

D. The right to install, operate, maintain, repair, and store all equipment necessary for the conduct of LESSEE's operations as authorized by this AGREEMENT; and

E. The right to erect new signs or other advertising upon the PREMISES with the CITY's prior written consent, provided such signs or other advertising are consistent with the CITY's zoning code and other applicable laws. Such signs shall be limited to promoting LESSEE's on-AIRPORT operations. LESSEE, its agent or employees, shall not solicit by way of hand-held signs, direction arrows, or vehicles signs, for the purpose of soliciting the purchase of any aviation services or other related activity. Notwithstanding the foregoing, LESSEE shall be

permitted to maintain any signage existing as of the EFFECTIVE DATE on its on-AIRPORT vehicles, fuel farm and buildings, and shall be permitted in the future to erect signage on the PREMISES, equipment, hangars and on vehicles which identify LESSEE's operations and property for directional guidance and other identification or informational functions. Any sign or advertising approved by the CITY shall remain the property of LESSEE and upon termination of this AGREEMENT shall be removed by LESSEE at no cost to CITY.

VII. RESTRICTIONS ON LESSEE'S USE OF THE PREMISES

LESSEE's use of the PREMISES is limited by the following:

A. The PREMISES may not be used for any purpose other than that expressly authorized herein without obtaining a written amendment to this AGREEMENT in accordance with Section XXXII or a Commercial Activity Permit in accordance with the then-current MINIMUM STANDARDS.

B. LESSEE shall not commit or permit any nuisance on the PREMISES other than in the ordinary course of business operating an FBO in accordance with applicable laws.

C. LESSEE shall not erect, place upon, operate, or maintain any improvement on the PREMISES, nor conduct business therein, in violation of the terms of this AGREEMENT or any applicable law, statute, ordinance, regulation, rule, or order of any federal, state, or local governmental agency having jurisdiction over the PREMISES.

D. The CITY reserves for the use and benefit of the public, the right of aircraft to fly in the airspace over the PREMISES, together with the right of said aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the AIRPORT, and the right to pursue all operations of the AIRPORT.

E. LESSEE shall not erect any structure or allow the growth of any plant or natural object that would constitute an obstruction to air navigation as defined in 14 CFR Part 77; nor shall LESSEE conduct any activity on the PREMISES that would interfere with or be a hazard to the flight of aircraft over the land or to and from the AIRPORT or interfere with air navigation and communication facilities serving the AIRPORT. The CITY shall have the continuing right and easement to take any action it deems necessary to prevent the erection or growth of any structure, tree or other object into the air space, or development of any hazard to air navigation or communication, and to remove or abate from such air space, or mark and light as obstructions, any such structure, tree, object or hazard, and shall have the right of ingress and egress over the PREMISES for such purposes.

F. LESSEE agrees that the PREMISES shall not be used as living quarters.

G. LESSEE shall not use the PREMISES for non-aeronautical purposes without the CITY's prior written approval. LESSEE shall at all times comply, and undertake commercially reasonable efforts to ensure that its guests, business invitees, licensees, employees, agents, contractors, assigns, subtenants, or other persons under LESSEE's control materially comply with the FAA's *Policy on the Non-Aeronautical Use of Airport Hangars*, 81 Fed. Reg. 38906 (June 15, 2016), as it may be amended.

H. LESSEE shall manage the aircraft parking ramp in order to ensure reasonable ingress and egress to and from those facilities adjacent to the PREMISES across the aircraft parking ramp, including Hangars B, C and D. Upon reasonable notice by the Heber City Airport Manager (the "AIRPORT MANAGER") that ingress or egress to Hangars B, C, or D is blocked, LESSEE shall promptly reposition any aircraft parked so as not to impede such ingress or egress. For the purpose of this paragraph, an aircraft shall be considered parked if it is unattended for a period of longer than thirty (30) minutes.

VIII. LANDING FEES

A. The CITY may choose to impose and collect, either on its own behalf or through another agreement, landing fees on aircraft using the AIRPORT ("LANDING FEES").

B. For the TERM, if the CITY proposes to increase LANDING FEES by more than three percent (3%) year-over-year, the Herber City Council (the "CITY COUNCIL") must determine, in a regularly noticed meeting of the CITY COUNCIL open to the public, that such increase is: (i) reasonable and not unjustly discriminatory, pursuant to FAA rules and policy; and (ii) reasonably necessary to achieve or maintain the AIRPORT's financial self-sustainability. At such public meeting, the CITY shall provide documentation indicating other options for raising revenue considered by the CITY and a financial pro forma showing the proposed projects or operational needs to be funded with the increase in LANDING FEES, and provide a meaningful opportunity for public comment.

IX. RENTAL PAYMENTS, FEES, AND CHARGES

A. BASE RENT

1. The initial base rent for the use of the PREMISES described herein shall be $0.07 per square foot ("BASE RENT"). The BASE RENT shall be adjusted on January 1 of each year by a percentage equal to the increase in the INDEX through October 31 of the prior year, as calculated by the U.S. Bureau of Labor Statistics or any successor agency; provided, that no annual increase in BASE RENT shall exceed three percent (3%); and provided further, that the BASE RENT shall not decrease.

2. If LESSEE exercises the option to extend this AGREEMENT for the EXTENDED TERM, the BASE RENT shall be increased to MARKET AERONAUTICAL RENT (as defined below) effective on the first day of the EXTENDED TERM, and then adjusted annually based on the INDEX per Section IX.A.1 above. For the purpose of this AGREEMENT, MARKET AERONAUTICAL RENT shall mean that BASE RENT calculated in accordance with the following:

i. Not later than six (6) months prior to the commencement of the EXTENDED TERM, the CITY shall retain a qualified appraiser to establish the then-current fair market rental value of the PREMISES (not including the value of improvements constructed thereon). The cost of the appraisal shall be borne by the CITY. A copy of the appraisal shall be delivered to LESSEE and to the CITY within sixty (60) days of the appraiser's retention. If LESSEE does not reject the then-current fair market rental value as determined by the appraiser by delivering written notice to

the CITY within thirty (30) days of LESSEE's receipt of the report, then such fair market rental value shall be deemed MARKET AERONAUTICAL RENT.

ii. If LESSEE disputes the determination of the fair market rental value as determined by appraisal, LESSEE may obtain a second appraisal from a qualified appraiser at LESSEE's expense. If the appraised fair market rental value as determined by the second appraisal is within five percent (5%) of the first appraisal, MARKET AERONAUTICAL RENT will be that as determined in the first appraisal. If the appraised fair market rental value in the second appraisal differs from the first appraisal by more than five percent (5%), then the first appraiser and second appraiser shall jointly select a third appraiser who shall determine the fair market rental value, at the joint expense of LESSEE and the CITY. MARKET AERONAUTICAL RENT shall be the average of the two appraised fair market rental values which are closest.

3. If LESSEE notifies the CITY of additional land to be included in the PREMISES pursuant to the PREDEVELOPMENT AGREEMENT, then the BASE RENT shall be modified as described in Section VI.A.1 of the PREDEVELOPMENT AGREEMENT.

B. PRORATION OF RENTAL PAYMENTS. In the event that the commencement or termination of the TERM, with respect to any or all of the PREMISES or the privileges provided by this AGREEMENT, fall on any other date than the first or last day of a calendar month, the applicable rentals, fees, and charges for such month shall be paid pro rata according to the number of days in the month during which said privileges were enjoyed.

C. LATE PAYMENTS. If LESSEE fails to pay BASE RENT within ten (10) days of the due date thereof, LESSEE must also pay the CITY an interest charge of one and one-half percent (1.5%) of the amount owning for each calendar month or part thereof from the due date to the date payment is made. The payment of interest does not excuse or cure any otherwise uncured EVENT OF DEFAULT of LESSEE under this AGREEMENT. Payments received from LESSEE will be applied by the CITY first to accrued interest and second to BASE RENT.

X. FUEL FLOWAGE FEES

A. In addition to the rents provided above, LESSEE shall pay to the CITY within ten (10) days after the end of each month a sum equal to eight cents (8¢) per gallon for each gallon of jet fuel and seven cents (7¢) per gallon for each gallon of aviation gasoline or any other aircraft fuel ("FUEL") received by LESSEE at the AIRPORT during the preceding month, adjusted to 60 degrees Fahrenheit ("FUEL FLOWAGE FEE") and shall be accompanied by bills of lading or a report from LESSEE's inventory system documenting the date and volume of each such delivery for each type of FUEL sold. Nothing in this paragraph shall require LESSEE to disclose the price paid for such FUEL deliveries.

B. Receipt of all FUEL shall be metered in a manner satisfactory to the CITY (within general industry standards) and CITY shall, upon reasonable notice to LESSEE, have the right during normal business hours to examine the equipment used in connection with the receipt, storage, and dispensing of FUEL by LESSEE.

C. The FUEL FLOWAGE FEE may, in the CITY's discretion, be reviewed not more than once every five (5) calendar years and increased or decreased to reflect regional trends, as set

forth in this Section X.C, rounded to the nearest cent; provided, however, the CITY shall not review the FUEL FLOWAGE FEE prior to the fifth (5^{th}) anniversary of the EFFECTIVE DATE. The relevant region to determine regional trends is defined as all publicly owned airports within a 50 nautical mile radius of the AIRPORT at which FUEL services are available. The term regional trends refers to the percentage change in the average fuel flowage fee for each type of FUEL charged by all airports in the relevant region, which shall be determined by comparing the average fuel flowage fee charged by airports in the relevant region for each type of FUEL at the time of the review with the average fuel flowage fee charged by the airports in the relevant region for each type of FUEL at the time of the previous review (such previous review to have been conducted at least five (5) years previously). An illustrative example of the foregoing process is attached **Exhibit 4**; provided, however, the PARTIES agree that the FUEL FLOWAGE FEE reflected in Paragraph X.A above reflects a mutually agreed upon FUEL FLOWAGE FEE that was not calculated using the foregoing process as further described on Exhibit 4, and the CITY shall nevertheless be bound by the process provided herein going forward and by the 2025 fuel flowage fees reflected in Exhibit 4 in calculating any future percentage change in the average fuel flowage fee under such process. However, in no event shall the CITY arbitrarily increase the FUEL FLOWAGE FEE for the purpose of eliminating or replacing LESSEE as the FBO, nor shall the FUEL FLOWAGE FEE be increased if the AIRPORT is not serviced by an instrument approach system, which includes satellite-based approach procedures or similar technology that may be implemented in the future. The CITY shall assess the same FUEL FLOWAGE FEE against any other person or entity authorized to dispense FUEL at the AIRPORT in accordance with the MINIMUM STANDARDS and RULES AND REGULATION, including, without limitation, those conducting self-fueling operations.

XI. ADDITIONAL FEES AND CHARGES

LESSEE shall pay to the CITY within ten (10) days of a notice any sum or sums paid by the CITY, or obligation or expense incurred by the CITY, for which LESSEE has agreed to pay or reimburse the CITY, or which the CITY has paid or incurred because of the failure, neglect, or refusal of LESSEE to perform or fulfill any of the promises, terms, conditions, or covenants required of it under this AGREEMENT.

XII. LESSEE PRICING

LESSEE shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that LESSEE shall be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

XIII. TAXES

LESSEE covenants and agrees that it will pay, when due, all taxes which may be assessed pursuant to law against the PREMISES, or against the buildings, improvements, and personal property located on the PREMISES, or against any business and activities conducted by LESSEE. LESSEE shall provide the AIRPORT MANAGER with satisfactory evidence of such payments within fifteen (15) days from the AIRPORT MANAGER's written request.

XIV. INDEMNITY AND INSURANCE

A. INDEMNIFICATION. LESSEE shall indemnify and hold harmless the CITY, the AIRPORT, the CITY COUNCIL, and the Airport Advisory Board (the "AAB"), individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the CITY, the AIRPORT, the CITY COUNCIL, and the AAB, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers, arising out of or in connection with LESSEE's activities at the AIRPORT; provided, however, that LESSEE shall have no obligation to indemnify under this Section XIV.A to the extent such claim arises from the gross negligence, willful misconduct, or sole negligence of any person otherwise required to be indemnified hereunder.

B. ENVIRONMENTAL CONTAMINATION. LESSEE shall defend, indemnify, save, protect, and hold harmless the CITY, the AIRPORT, the CITY COUNCIL, and the AAB, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident to the extent such accident or incident is caused by LESSEE, its employees, its vendors or any other personnel used by LESSEE to maintain LESSEE's facilities, vehicles, equipment, or aircraft.

C. INSURANCE. LESSEE shall procure and maintain insurance coverage and provide evidence of the same as specified by the MINIMUM STANDARDS, as they may be from time to time amended.

XV. MAINTENANCE AND REPAIR

A. LESSEE shall keep and maintain the PREMISES and all improvements thereon in good condition, reasonable wear and use excepted, and in a sanitary and sightly condition. LESSEE agrees to provide at its own expense such janitorial and cleaning services and supplies, trash removal services, and any related services as may be necessary or required in the operation and maintenance of the PREMISES. The restrooms and reception areas shall be available to that portion of the public that has a legitimate reason for being on the AIRPORT property.

B. The PARTIES have jointly developed a plan for the prompt and efficient removal of snow and ice from the airfield, attached as **Exhibit 2** (the "SNOW REMOVAL PLAN"). The PARTIES shall meet to review the SNOW REMOVAL PLAN not later than October 1 of each year and discuss in good faith whether revisions are necessary to ensure the safe, efficient, and cost-effective removal of snow from the airfield. The CITY shall make any and all reasonable efforts to remove snow and ice from the airfield in accordance with the SNOW REMOVAL PLAN. Notwithstanding the foregoing, LESSEE shall provide for the removal of snow from the PREMISES, including stairs, walkways, ledges, roads, aircraft ramps, and customer parking areas. LESSEE shall not place snow from the PREMISES on any other area of the AIRPORT without prior written authorization from the AIRPORT MANAGER.

C. In the event that LESSEE fails to keep and maintain the PREMISES and improvements in good condition and repair, reasonable wear and use excepted, for a period of

thirty (30) days after written notice from the CITY to do so, the CITY, upon the expiration of such thirty (30) day period, may, but shall not be obligated to, enter upon the PREMISES and perform the obligation of LESSEE, and charge LESSEE the cost and expense thereof, and LESSEE agrees to pay the CITY such charge in addition to any other amounts payable by LESSEE; provided, however, that if LESSEE's failure to perform any such obligation adversely affects or endangers the health or safety of the public or of employees of CITY in the reasonable judgment of the CITY, and if the CITY so states in its notice to LESSEE, the CITY may, but shall not be obligated to, perform such obligation of LESSEE at any time after the giving of such notice and without awaiting the expiration of the thirty (30) day period, and charge to LESSEE, and LESSEE shall pay, the reasonable cost and expense plus reasonable administrative costs of such performance. The CITY shall not be liable to LESSEE for any loss whatsoever resulting from such performance.

XVI. UTILITIES AND SERVICES

A. LESSEE agrees to provide for its own connections with utilities and to make separate agreements with the agencies responsible for these utilities. LESSEE shall pay for all utility service supplied to the PREMISES and, if required by the utility agencies as a condition of continued said services, LESSEE shall install and pay for standard metering devices for the measurement of such services. LESSEE shall be solely responsible for all utility charges, including without limitation natural gas, electricity, sewer, and water used, on the PREMISES during the TERM.

B. LESSEE agrees that the CITY shall have the right, without cost or compensation to LESSEE, to install and maintain in, on, or across the PREMISES sewer, water, gas, electric and telephone lines, electric substations, or other installations necessary to the operation of the AIRPORT, or to service other tenants of the CITY; provided the CITY shall carry out such work and locate above-ground structures in a manner so as not to unreasonably interfere with LESSEE's use of the PREMISES.

XVII. PERMITS, LICENSES AND CERTIFICATES

LESSEE shall obtain any and all permits, licenses, and certificates which may be required in connection with the improvement and use of the PREMISES and its operations thereon. LESSEE shall comply with all applicable federal, state and local laws and regulations and LESSEE shall keep in effect any and all required licenses, permits, notices and certificates.

XVIII. AMENDMENTS TO MINIMUM STANDARDS

From the EFFECTIVE DATE until the TRIGGERDATE (defined below), the Heber City Airport Minimum Standards existing as of the EFFECTIVE DATE (the "MINIMUM STANDARDS") shall not be amended or changed except by mutual consent between the CITY and LESSEE or when deemed reasonable and necessary by the CITY COUNCIL for safety reasons or in order to comply with State and Federal rules and regulations or in order to assure reasonable and competent service at the AIRPORT.

The PARTIES agree that the CITY has obtained conditional approval of the Airport Layout Plan. Accordingly, if the CITY (i) amends the MINIMUM STANDARDS in compliance with the provisions of Section 7 of the SETTLEMENT AGREEMENT and (ii) issues a Request for

Proposals in compliance with Section IV.G or IV.H of the PREDEVELOPMENT AGREEMENT (the date upon which the later of (i) and (ii) has been satisfied, the "TRIGGER DATE"), then, subject to Section XXVI below, LESSEE shall be entitled to continue to conduct its operations for the remainder of the TERM in accordance with the MINIMUM STANDARDS in effect on the EFFECTIVE DATE; provided, however, that LESSEE shall not be required to maintain facilities or equipment in excess of the MINIMUM STANDARDS as they may be amended after the EFFECTIVE DATE, in the event such amendment reduces any applicable MINIMUM STANDARDS. If LESSEE exercises its option for the EXTENDED TERM, LESSEE's operations shall comply with the MINIMUM STANDARDS then in effect at the beginning of the EXTENDED TERM.

Subject to the clarifications set forth above, all provisions of the MINIMUM STANDARDS are hereby incorporated by reference as if set forth at length herein.

XIX. QUIET ENJOYMENT

The CITY agrees that, on payment of the rentals, fees, and charges as herein provided and performance of the covenants and agreements on the part of LESSEE to be performed hereunder, LESSEE shall peaceably have and enjoy the PREMISES and all the rights and privileges of the AIRPORT, its appurtenances, and facilities granted herein. LESSEE agrees that temporary inconveniences, including but not limited to noise, disturbances, traffic detours, and the like resulting from, caused by, arising out of, or associated with the CITY's construction, maintenance, or repair of the AIRPORT, including but not limited to improvements thereon, or associated with special events that the CITY or others may from time to time host on the AIRPORT, shall not constitute a breach of this Section XIX. The CITY shall provide LESSEE with reasonable prior notice of any planned temporary inconveniences or special events and shall take reasonable steps to mitigate the impact of such inconveniences so that they do not unreasonably interfere with LESSEE's operation of its business.

XX. DISPUTE RESOLUTION

Any dispute arising out of, relating to, or in connection with this AGREEMENT, including any question regarding an alleged EVENT OF DEFAULT (as defined below), this AGREEMENT's existence, validity or termination, shall be resolved as set forth in the Dispute Resolution Protocol attached as **Exhibit 3** ("DISPUTE RESOLUTION PROTOCOL"). In the event of litigation commenced in accordance with the DISPUTE RESOLUTION PROTOCOL, the prevailing PARTY (as determined by a final judgment) shall be entitled to recover its reasonable attorney's fees, expert-witness costs, and court costs.

XXI. DEFAULT AND REMEDIES

A. DEFAULT. The occurrence of any of the following, in addition to those specified elsewhere in this AGREEMENT, shall constitute a material breach of this AGREEMENT by LESSEE and an "EVENT OF DEFAULT":

1. LESSEE's failure to pay BASE RENT or FUEL FLOWAGE FEES within ten (10) business days of the due date thereof;

2. LESSEE's failure to perform or observe any of LESSEE's obligations under this AGREEMENT (including those obligations set forth in this Section XXI including the obligations in Section XXI (A)(1)) that are left uncured for a period of thirty (30) business days after LESSEE receives written notice from the CITY setting forth the failure in question and an opportunity to cure (or, if cure of such failure cannot reasonably be accomplished in the thirty (30) day period, LESSEE's failure to commence curing in such period and diligently prosecute the same to completion);

3. LESSEE's material default on the covenants and obligations set forth in any other written agreement between the CITY and LESSEE concerning the use or lease of the AIRPORT property, as determined by a court of competent jurisdiction's final, non-appealable judgment, after first being provided all applicable notice and cure periods and participating in the agreed upon dispute resolution procedures, if any, thereunder;

4. LESSEE's dissolution or cessation of continuous business operations;

5. LESSEE's abandonment of the PREMISES;

6. LESSEE becoming insolvent, taking advantage of any insolvency law or bankruptcy protection, making a general assignment for the benefit of creditors, or consenting to liquidation of all or substantially all of its assets;

7. LESSEE's failure to maintain as current LESSEE's corporate charter;

8. The assessment of a tax lien upon the PREMISES for unpaid taxes that is not resolved, or for which LESSEE has failed to take affirmative steps to challenge or resolve, within sixty (60) days of LESSEE receiving notice of such lien;

9. LESSEE filing a voluntary petition in bankruptcy;

10. The institution of proceedings in bankruptcy against LESSEE and the adjudication of LESSEE as bankrupt pursuant to such proceedings if such adjudication is not vacated or stayed during the sixty (60) day period following such adjudication;

11. The taking by a court of LESSEE and its assets pursuant to proceedings brought under the provisions of any state or federal reorganization act if the judgment of the court is not vacated or stayed during the sixty (60) day period following such judgment;

12. The appointment of a receiver of LESSEE's assets if such appointment by a court is not vacated or stayed during the sixty (60) day period following such appointment;

13. LESSEE's assignment, sublease, or other conveyance of an interest in this AGREEMENT in violation of Section XXII.

B. REMEDIES. If an EVENT OF DEFAULT occurs, the CITY, in addition to any remedies available under applicable law, subject to the dispute resolution procedures specified in Section XX, may do any one or more of the following:

1. Whether or not this AGREEMENT has been terminated, the CITY may re-enter and repossess the PREMISES and may either in its own name, as agent for LESSEE if this AGREEMENT has not been terminated, or for its own behalf if this AGREEMENT has been terminated, relet all or any part of the PREMISES; provided that the CITY shall not be required to accept any tenant proposed by LESSEE, or observe any instruction given by LESSEE about such reletting. No such re-entry or taking possession of the PREMISES shall be construed as an election on the CITY's part to terminate this AGREEMENT unless written notice of such election by the CITY is given to LESSEE. Notwithstanding any such reletting without termination, the CITY may at any time thereafter elect to terminate this AGREEMENT for any previous breach or default for which the remedies outlined in this Section apply.

2. The CITY may from time to time, without terminating this AGREEMENT, enforce all of its rights and remedies under this AGREEMENT.

C. MITIGATION OF DAMAGES. Following any EVENT OF DEFAULT by LESSEE, the CITY shall use commercially reasonable efforts to mitigate its damages. The CITY's obligation to mitigate damages after an EVENT OF DEFAULT by LESSEE under this AGREEMENT that results in the CITY regaining possession of all or part of the PREMISES shall be satisfied in full if the CITY undertakes to lease the PREMISES to another lessee ("SUBSTITUTE LESSEE") in accordance with the following criteria:

1. The CITY shall have no obligation to solicit or entertain negotiations with any prospective SUBSTITUTE LESSEE until the CITY obtains full and complete possession of the PREMISES including, without limitation, the final and unappealable legal right to re-let the PREMISES free of any claim of LESSEE;

2. The CITY shall not be obligated to lease the PREMISES to a SUBSTITUTE GRANTEE for a rental less than the CITY's fair market rent then prevailing for similar space on the AIRPORT;

3. The CITY shall not be obligated to enter into a new lease under terms and conditions that are unacceptable to the CITY under the CITY's then-current leasing policies for comparable space on the AIRPORT, or incompatible with the Airport Master Plan, MINIMUM STANDARDS, RULES AND REGULATIONS, or GRANT ASSURANCES (defined in Section XXVI); and

4. The CITY shall not be obligated to enter into a lease with any proposed SUBSTITUTE GRANTEE that does not have sufficient financial resources to maintain the PREMISES and operations in a first-class manner and pay all rents payable pursuant to this AGREEMENT.

XXII. SUBLEASES AND ASSIGNMENTS

LESSEE shall not assign or sublet this AGREEMENT, nor may it transfer the management and operation of the PREMISES, without the prior written consent of the CITY, such consent not to be unreasonably withheld, conditioned, or delayed. However, LESSEE shall be permitted without the consent of the CITY to sublease hangar and office space located on the PREMISES, provided that such sublease shall not grant the sublessee any rights to provide any commercial

aeronautical services at the AIRPORT unless the sublessee first obtains approval from the CITY under the MINIMUM STANDARDS to do so. The CITY agrees in advance that it cannot reasonably withhold consent to an assignment if the following conditions are met: (i) LESSEE is not in default of its obligations under this AGREEMENT; (ii) the proposed assignee has the financial capability to comply with the terms and conditions of this AGREEMENT and the experience and professional staff capable of operating the facilities and providing the services according to the terms and conditions of this AGREEMENT and the MINIMUM STANDARDS; (iii) the proposed assignee would assume all of LESSEE's obligations under this AGREEMENT, without condition or qualification; and (iv) the proposed assignment would not violate any obligation of the CITY, including without limitation GRANT ASSURANCES. The CITY has the option, in its sole discretion, to charge to LESSEE for reasonable administrative costs actually incurred when reviewing and processing any requests for assignment or transfer pursuant to this Section XXII, however, no other assignment or transfer fee shall be charged by the CITY with respect to any assignment of this AGREEMENT.

XXIII. RIGHT OF ENTRY AND INSPECTION

The CITY may enter upon the PREMISES now or hereafter leased exclusively to LESSEE at any reasonable time for any purpose necessary, incidental to or connected with the performance of its obligations under this AGREEMENT, in the exercise of its governmental functions, or in the event of any emergency. Except in the case of the CITY's governmental functions, or an emergency, the CITY shall give LESSEE reasonable advanced notice prior to the CITY's entry into LESSEE's buildings and improvements.

XXIV. FORCE MAJURE / DESTRUCTION OF PREMISES

Neither PARTY shall be in violation of this AGREEMENT by reason of failure to perform any of its obligations by reason of strikes, boycotts, labor disputes, embargoes, unforeseen shortages of materials, acts of God, acts of public enemy, substantial non-temporary flight restrictions, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible and which are not within its control. Upon the cessation or removal of the act or condition giving rise to the excuse of any obligation under this AGREEMENT, the PARTY so excused from its obligation shall perform as required under this AGREEMENT. Notwithstanding the foregoing, LESSEE shall not be relieved of paying any rents, fees, or other charges. The PARTY claiming force majeure shall notify the other PARTY in writing within five (5) business days following any event or occurrence causing the delay and extent of the delay which may be incurred. Failure to timely so notify shall bar such PARTY from asserting any claim for that delay.

XXV. NOTICES

All fees payable and notice given under this AGREEMENT to the CITY shall be delivered to the Heber City Airport Manager, c/o the Heber City Treasurer, 75 North Main Street, Heber City, Utah 84032, or such other place as the CITY shall specify in writing.

All notices given under this AGREEMENT to LESSEE shall be sent to:

Name: _____

Address: _____

City/State/Zip: _____

XXVI. SUBORDINATION

This AGREEMENT shall be subordinate to the provisions of any existing or future agreements between the CITY and the United States of America, relative to the operation and maintenance of the AIRPORT, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the CITY of federal funds for the development of the AIRPORT ("GRANT ASSURANCES"). LESSEE acknowledges that it has had an opportunity to review the material terms of this AGREEMENT with the FAA and neither PARTY is aware of any FAA objection. Notwithstanding the foregoing sentence, however, in the event the U.S. Department of Transportation ("USDOT"), the FAA, or a court of competent jurisdiction makes a final appealable determination that the CITY's ability to perform any obligations under this AGREEMENT would violate GRANT ASSURANCES, the CITY shall be immediately excused from performing such obligation (subject to the limitations outlined below) and shall in good faith negotiate a lawful resolution to the mutual satisfaction of the PARTIES hereto; provided, however, that if the PARTIES are unable to resolve the conflict or violation within ninety (90) days, the CITY shall unilaterally amend this AGREEMENT in the least material manner necessary to comply with the decision of the Court or agency and the remaining provisions hereof will continue in full force and effect and will be construed as if the invalid provision had not been a part of this AGREEMENT (the "CARVE-OUT REMEDY"). Notwithstanding the foregoing, the CARVE-OUT REMEDY shall not apply to the first paragraph of Section XVIII hereof. In the event LESSEE is successful in an appeal of a decision of the USDOT, the FAA, or a court of competent jurisdiction, any provision removed pursuant to this Section XXVI shall be reinstated consistent with the Court or agency's decision on appeal.

XXVII. FEDERAL CLAUSES

LESSEE acknowledges that the CITY is required by the FAA under GRANT ASSURANCES to include in this AGREEMENT certain required contract provisions, included as **Exhibit 5** hereto ("FEDERAL CLAUSES"). LESSEE agrees to comply with the FEDERAL CLAUSES and, where applicable, include the FEDERAL CLAUSES in each of its subcontracts without limitation or alteration. In the event such FEDERAL CLAUSES are modified by the FAA or other federal agency with jurisdiction, and the CITY provides LESSEE with not less than thirty (30) days written notice of such modification, LESSEE agrees to comply with the modified FEDERAL CLAUSES without written amendment of this AGREEMENT. Unless prohibited by federal law, the CITY shall provide LESSEE with notice and a reasonable opportunity to cure before exercising any right of termination provided by the FEDERAL CLAUSES. LESSEE acknowledges that a failure to comply with the FEDERAL CLAUSES pursuant to this Section XXVII constitutes an EVENT OF DEFAULT.

XXVIII. NO EXCLUSIVE RIGHTS

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. 40103(e).

XXIX. NO WAIVER OF RIGHTS

No delay or omission in the exercise of any right or remedy of either PARTY on any default by either PARTY of its obligations under this AGREEMENT shall impair such a right or remedy or be construed as a waiver. Any waiver by either PARTY of any default on the part of the other must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this AGREEMENT.

XXX. GOVERNING LAW

This AGREEMENT shall be construed in accordance with and governed by the laws of the State of Utah, notwithstanding any conflict-of-law principles.

XXXI. TIME OF THE ESSENCE

Time is of the essence in the performance of all of each PARTY's respective obligations under this AGREEMENT.

XXXII. AMENDMENTS

No amendment to this AGREEMENT shall be binding on the CITY or LESSEE unless reduced to writing and signed by both PARTIES.

XXXIII. SEVERABILITY

If any provision of this AGREEMENT is held to be illegal, invalid, or unenforceable in full or in part, for any reason, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid, and enforceable, and the other provisions of this AGREEMENT shall not be affected thereby.

XXXIV. MERGER

This AGREEMENT constitutes the final, complete, and exclusive agreement between the PARTIES on the matters contained in this AGREEMENT, but shall be read and interpreted in conjunction with the SETTLEMENT AGREEMENT and PREDEVELOPMENT AGREEMENT. All prior and contemporaneous negotiations and agreements between the PARTIES on the matters contained in this AGREEMENT are expressly merged into and superseded by this AGREEMENT. In entering into this AGREEMENT, neither the CITY nor LESSEE has relied on any statement, representation, warranty, nor agreement of the other except for those expressly contained in this AGREEMENT.

XXXV. HEADINGS

The headings used in this AGREEMENT, including but not limited to those headings used at the beginning of each numbered section herein, are solely for the convenience of the reader and shall not be construed as part of the agreement between the PARTIES.

XXXVI. RELATIONSHIP OF PARTIES

This AGREEMENT does not create any partnership, joint venture, employment, or agency relationship between the PARTIES. Nothing in this AGREEMENT shall confer upon any other person or entity any right, benefit, or remedy of any nature.

XXXVII. ANNUAL MEETINGS

Not more than sixty (60) days after the end of each calendar year, LESSEE shall arrange to meet with the CITY COUNCIL, or with one or more representatives of the CITY designated by the CITY COUNCIL, to review in good faith the PARTIES' respective performance under this AGREEMENT and to discuss any operational issues.

XXXVIII. AIRPORT ADVISORY BOARD PARTICIPATION

For as long as the AAB remains constituted, LESSEE's President/Chief Executive Officer shall be a voting member of the AAB; provided, however, that LESSEE may appoint a representative other than the Chief Executive Officer to serve as LESSEE's representative on the AAB; provided further that appointment of a representative other than an officer of LESSEE shall require the CITY COUNCIL's prior consent, not to be unreasonably withheld, conditioned, or delayed.

XXXIX. AUDIT RIGHTS

LESSEE shall maintain accurate records of FUEL dispensed for a period of three (3) years from the date the record is made. On no more frequently than an annual basis and after providing not less than seven (7) days prior notice, the CITY shall have the right, at its sole expense, to have an independent auditor conduct an on-site inspection and audit of the books, records, and receipts that LESSEE maintains in the ordinary course of business relating to the amount of FUEL dispensed, and to verify LESSEE's FUEL sales. While LESSEE will be required for the purpose of such audit to make information regarding FUEL flowage available, it will not be required to provide information regarding its FUEL costs, pricing, profits, or profit margins. The auditor shall not be permitted to remove any of LESSEE's records or information from the PREMISES. All financial or customer information obtained by the CITY or its auditors as the result of any audits, inspections, or requests under this Section XXXIX (including any summaries or work papers prepared by the auditor) shall be treated as proprietary and confidential, will be classified as a Protected Record within the meaning Utah Code 63G-2-305(33), and will not be provided to the public except as required by law and, to the extent such information is requested to be disclosed publicly, the CITY shall give LESSEE any legally available opportunity to object to such disclosure.

Signature Page Follows

IN WITNESS WHEREOF, the PARTIES hereto have caused these presents to be duly executed, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

HEBER CITY, a Municipal Corporation

APPROVED:

_____
Mayor

_____
Date

LESSEE:

By:_____
Title:

_____
Date

ATTEST:

_____
City Recorder

_____
Date

APPROVED AS TO FORM:

_____
City Attorney

_____
Date

Exhibit 1

Property Description

Y:\230492\03_CAD\Survey\BOUNDARY\230492-FBO LEASE EXHIBIT.dwg, 3/27/2024 1:37:09 PM, Dillon Neubauer, DWG To PDF.pc3
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TOTAL FBO LEASE AREA:	492,530 SF
LESS AND EXCEPTING HANGAR E:	20,704 SF
LESS AND EXCEPTING HANGAR F:	31,500 SF
REMAINDER	440,326 SF

CURVE TABLE					
CURVE	RADIUS	LENGTH	DELTA	BEARING	CHORD
C1	57.00'	89.54'	90°00'00"	N4°43'42"E	80.61'
C2	52.00'	81.68'	90°00'00"	N85°16'18"W	73.54'
C3	65.00'	102.10'	90°00'00"	S4°43'42"W	91.92'

N49°43'42"E 1154.05'

S40°16'18"E 253.00'

S49°43'42"W 57.50'

S02°09'52"W 47.42'

S49°43'42"W 158.50'

N49°43'42"E 9.00'

S40°16'18"E 82.00'

S40°16'18"E 152.00'

S49°43'42"W 9.00'

S89°48'10"W 101.62'

S49°43'42"W 181.34'

S89°48'10"W 61.96'

N37°38'30"W 159.09'

S49°43'56"W 266.16'

N39°48'54"W 59.75'

S49°43'42"W 281.15'

N40°16'18"W 154.00'

HANGAR A

HANGAR B

HANGAR C

HANGAR D

HANGAR E
20704 SF

HANGAR F
31500 SF

TOTAL FBO LEASE
492530 SF

C1

C2

C3

0 50' 100' 200' 300'

PROFESSIONAL LAND SURVEYOR
No.13576442-2201
ANDREW M. POE
03/27/2024
STATE OF UTAH

DATE: 3/27/24 JOB: 230492

ARDURRA
2175 W. 3000 S., SUITE 200
HEBER CITY, UTAH 84032
435-315-3168 | WWW.ARDURRA.COM

Exhibit 2

Snow Removal Plan

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HEBER VALLEY

AIRPORT

GATEWAY TO THE WASATCH BACK

Snow and Ice Control Plan (SICP)

Heber Valley Airport

Original Date Oct. 1, 2017
Revision Date November 26, 2018

DocuSign Envelope ID: AD08F86F-B29C-4F26-BE69-0EA0D07A8B5B

The purpose of this plan is to provide guidance to airport staff on conducting snow removal operations, but the plan is not intended to cover all conceivable circumstances or in any way modify the obligations of the City and airport users and tenants under their respective agreements with the City.

The City encourages and promotes a collaborative atmosphere among city employees, commercial operators, tenants and users with respect to snow removal at the Airport.

Approved:

Airport Manager

City Manager

FBO OK3 (Commercial Operator)

Heber City Public Works

If city assets are requested for Snow removal on commercial leaseholds it is understood and specifically acknowledged herein that the commercial operator is indemnifying the City against property loss as a result of snow removal, while operating on the leasehold.

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HEBER VALLEY AIRPORT

GATEWAY TO THE WASATCH BACK

Snow and Ice Control Plan (SICP)

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FBO OK3 (Commercial Operator)	Heber City Public Works

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Phase #1

Pre- and Post-Winter Season Topics

Chapter 1. Pre-Season Actions

1.1 Airport Preparation

a) Airport Management Meetings

The airport manager will typically initiate a meeting with the assistant airport manager and city operations employees before the snow season in order to discuss equipment and material inventory, repair needs, staffing, budget, training, previous years' issue's, and any other topics associate with snow and ice control and its plan.

b) Personnel Training

The assistant airport manager and any city personnel that will be assisting in snow removal operations at the airport will receive recurrent airport snow removal training. All training for airport personnel is conducted by the airport manager. Training records are maintained by airport management.

c) Equipment Preparation

The airport dump truck and loader, along with their snow removal equipment parts will be maintained by airport management or city operations specialists when requested or required. Other than emergencies, improvements and repairs to snow removal equipment should be accomplished during summer months whenever possible.

Before the snow season begins, airport management will inspect and prepare each piece of snow removal equipment. Required fluids, replacement parts, and snow removal equipment components will be inventoried and stockpiled.
All pre-season actions are to be concluded by November 1st.

Chapter 2. Post-Event/Season Actions

2.1 Post Event.

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After each snow event, the airport manager may choose to evaluate snow removal operations. He may at this time make corrections or changes to operations in preparation for the next snow event.

Post Season.

After each snow season the airport manager will review the snow season issues and make any recommendations for changes he deems necessary.

Around this same time maintenance will be provided with the time needed to inspect and repair equipment. Operations and airport management will be able to analyze and update any needed changes before the next season.

Phase #2

Winter Storm Actions and Procedures

Chapter 3. Snow Removal Action Criteria

3.1 Activating Snow Removal Personnel.

Currently the majority of snow removal operations at the Heber Airport are conducted by the airport manager or his designee. However, if snow removal operations are particularly intense and on-going, the airport manager may at any time decide to bring in additional snow removal equipment and personnel from the city.

a) Weather Forecasting

- The airport manager is ultimately responsible to monitor the current and/or forecast weather conditions every few hours during the snow season, however, he may at any time delegate this responsibility to others when deemed necessary.
- Local radio reports, phone apps and internet websites will be used for weather forecasts, and other weather related information.

b) Chain of Command

- The airport manager or his delegate will be responsible to monitor the airfield each day.

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- The airfield will be continuously inspected and evaluated by the airport manager, or his designee.
- The airport manager will determine when snow removal operations will commence as well as who will be involved.
- In the absence of the airport manager, the assistant airport manager (or other designated person) will be responsible for snow removal operations.
- Hangar owners, commercial operators and other tenants are responsible for snow and ice removal in front of their hangars and all other parts of their lease holds.

c) Initiating Public Works Assistance –

The airport manager is responsible for requesting snow removal assistance from city public works. The public works director shall provide the airport manager contact telephone numbers to call out public works.

The FBO may contact the airport manager or his delegate to request snow removal assistance at any time. Call-out rates for city assistance are specified in Appendix D. Assistance can be rendered with airport equipment and personnel or public works at the discretion of the airport manager.

d) Triggers for Initiating Snow Removal Operations

Snow removal operations will begin when contaminants begin accumulating on pavement surfaces. Once snow or other contaminants accumulate over an inch and one half (1 1/2 "), snow removal operations will commence. The airport manager, or his designee will be responsible to initiate the snow and ice removal operations. He will contact any other needed personnel in order to remove the contaminants in a timely manner. During normal snow conditions it is intended that the runway/taxiway will be ready for use at 8am. This may require snow removal operations during the night or early morning hours. Large storms and/or storms over an extended period of time may delay the readiness target. Snow plowing operations will not be performed during unsafe conditions. The airport manager, or his designee will communicate regularly with OK3's operations managers and monitor weather forecasts. It's understood the communication will be reciprocal.

While the goal of airport management is to remove snow and ice as efficiently and effectively as possible, there are certain conditions that may delay snow removal operations. These conditions might include the following:

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- Water or wet snow near pavement under a layer of snow when air temperatures are well below freezing.
- Wet ice
- Slush over ice
- Water over compacted snow
- Dry snow or wet snow over ice
- Low visibility
- Any other conditions where traction or braking is Nil.

Precipitation	Depth in Inches
Slush	1.5
Wet Snow	1.5
Dry Snow	1.5
Ice or Freezing Rain	¼

There are rare occasions when conditions may dictate delay of snow removal. An example of which is where a layer of dry snow covers a layer of wet snow near the surface of the runway. Exposure of the lower layer to extremely cold temps may cause the immediate formation of ice across the runway surface. The airport does not have ice mitigation equipment. Therefore, in such conditions it may be prudent to leave the layer of snow in place until the ambient air temperature rises, as practical. This is a difficult situation as it will most likely occur after a snow event when skies are clear.

The decision to delay snow removal in these circumstances are based upon the criteria stated above as well as anticipated arrivals. Airport staff will communicate with the FBO to maintain awareness of arrivals and departures. The FBO or other users on the airport will contact the airport manager to inform him of planned departures or arrivals. Although the airport has no contractual or legal obligation to do so, staff will endeavor to coordinate with the FBO regarding snow events. If a delay in snow removal is warranted, airport staff will notify the FBO Director of Maintenance.

3.2 Personnel Responsible.

The airport manager is responsible to ensure conditions are being watched and proper responses are being dispatched. The assistant airport manager, in the event there is one, and public works employees are responsible to be prepared and ready to remove snow at all hours, day or night when required. City Maintenance personnel should be ready to repair or replace any damaged or worn out equipment related to snow removal at the airport.

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3.3 Snow Control Center (SCC).

The airport manager's office will be used as the Snow Control Center. This is where the airport manager will officially manage the snow removal operations. Here he can receive phone calls, issue NOTAM's etc. However, it is not expected that the airport manager will spend all of his time in the SCC due to the fact that much of his time will be spent plowing snow, performing field inspections, responding to tenant concerns etc.

At a minimum, the SCC will perform the following functions:

- Managing snow clearing operations.
- Serving as the prime source for initiating FICONS, Closures, Openings, etc.
- Informing users of airport conditions.
- Issuing NOTAMs.

3.4 Airfield Clearing Priorities.

a) Priority 1

The first priority includes Runway 04-22 and the main Alpha taxiway providing aircraft with rapid and easy access to the main apron, fuel and other important services.

b) Priority 2

The second priority areas include: the A-3 followed by the other connectors and taxi-lanes.

c) Priority 3

The last areas to be cleared will be the parking lots, secondary entrance gates, and other hard surface areas in and around the airport. All priorities can be changed or re-prioritized due to safety *managerial* or logistical concerns from the airport manager or airport users.

d) FBO Snow Removal Operations

The FBO(s) and any commercial operator (the operator) are responsible for snow removal on their leasehold. The City can be contracted for snow removal

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assistance. While performing snow removal, the operator shall never displace snow or other contaminant onto a movement area.

3.5 Airfield Clearance Times.

In general, the goal is to have the runway, taxiway and A1 & A7 cleared of snow, to the extent that aircraft that frequent the airport are able to utilize these surfaces, by 8:00 am local time. This time may vary due to weather conditions. Once the runway and Priority 1 areas are clear airport workers will start on priorities 2 and 3. If a hangar owner or airport business has any pressing needs they are encouraged to contact the airport manager or his assist. Airport staff is more than happy to accommodate any needs by airport users as long as the essential duties have been taken care of. Public works maybe called out to assist as needed. The priority of Public Works is City streets and facilities. Second priority is the airport.

Table 1-2. Clearance Times for Non-Commercial Service Airports

Annual Airplane Operations (includes cargo operations)	*Clearance Time[1] (hour)*
40,000 or more	*2*
10,000 – but less than 40,000	*3*
6,000 – but less than 10,000	*4*
Less than 6,000	*6*
General: Although not specifically defined, Non-Commercial Service Airports are airports that are not classified as Commercial Service Airports [see Table 1-1, general note].	
Footnote 1: These airports may wish to have sufficient equipment to clear 1 inch (2.54 cm) of falling snow weighing up to 25 lb/ft^3 (400 kg/m^3) from Priority 1 areas within the recommended clearance times.	

3.6 Snow Equipment List.

Dump Truck with plow
Loader with plow/box pusher attachments
Snow blower, loader mounted, self-powered
(During unusually heavy snow storms or when equipment is damaged or unavailable, the airport may ask for additional equipment/repairs from Heber City or other private companies.)

3.7 Storage of Snow and Ice Control Equipment.

All snow removal equipment will be stored and maintained in the heated SRE building. Major repairs may require the equipment to be temporarily transferred to other facilities

3.8 Definitions.

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Airside Urea.
(Otherwise known as "Carbamide") The approved specifications are SAE AMS 1431, Compound, Solid Runway and Taxiway Deicing/Anti-Icing, and MIL SPEC DOD-U-10866, Technical Urea. Agricultural grade urea that meets any of these specifications, called airside urea, is acceptable.

Approved Chemical.
A chemical, either solid or liquid, that meets a generic SAE or MIL specification.

Ash.

A grayish-white to black solid residue of combustion normally originating from pulverized particulate matter ejected by volcanic eruption.

Compacted Snow.
Snow that has been compressed and consolidated into a solid form that resists further compression such that an airplane will remain on its surface without displacing any of it. If a chunk of compressed snow can be picked up by hand, it will hold together or can be broken into smaller chunks rather that falling away as individual snow particles.

Note: A layer of compacted snow over ice must be reported as compacted snow only.

Example: When operating on the surface, significant rutting or compaction will not occur. Compacted snow may include a mixture of snow and embedded ice; if it is more ice than compacted snow, then it should be reported as either ice or wet ice, as applicable.

Contaminant.
A deposit such as frost, any snow, slush, ice, or water on an aerodrome pavement where the effects could be detrimental to the friction characteristics of the pavement surface.

Contaminated Runway.
For purposes of generating a runway condition code and airplane performance, a runway is considered contaminated when more than 25 percent of the runway surface area (within the reported length and the width being used) is covered by frost, ice, and any depth of snow, slush, or water.

When runway contaminants exist, but overall coverage is 25 percent or less, the contaminants will still be reported. However, a runway condition code will not be generated.

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While mud, ash, sand, oil, and rubber are reportable contaminants, there is no associated airplane performance data available and no depth or Runway Condition Code will be reported.

Exception: Rubber is not subject to the 25 percent rule, and will be reported as Slippery When Wet when the pavement evaluation/friction deterioration indicates the averaged Mu value on the wet pavement surface is below the Minimum Friction Level classification specified in Table 3-2 of FAA Advisory Circular 150/5320-12.

Dry (Pavement).

Describes a surface that is neither wet nor contaminated.

Dry Runway.

A runway is dry when it is neither wet, nor contaminated. For purposes of condition reporting and airplane performance, a runway can be considered dry when no more than 25 percent of the runway surface area within the reported length and the width being used is covered by:

Visible moisture or dampness, or

Frost, slush, snow (any type), or ice.

A FICON NOTAM must not be originated for the sole purpose of reporting a dry runway. A dry surface must be reported only when there is need to report conditions on the remainder of the surface.

Dry Snow.

Snow that has insufficient free water to cause it to stick together. This generally occurs at temperatures well below 32° F (0° C). If when making a snowball, it falls apart, the snow is considered dry.

Eutectic Temperature/Composition.

A deicing chemical melts ice by lowering the freezing point. The extent of this freezing point depression depends on the chemical and water in the system. The limit of freezing point depression, equivalent to the lowest temperature that the chemical will melt ice, occurs with a specific amount of chemical. This temperature is called the eutectic temperature, and the amount of chemical is the eutectic composition. Collectively, they are referred to as the eutectic point.

FICON (Field Condition Report).

A Notice to Airmen (NOTAM) generated to reflect Runway Condition Codes, vehicle braking action, and pavement surface conditions on runways, taxiways, and aprons.

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Fluid Deicer/Anti-Icers. The approved specification is SAE AMS 1435, Fluid, Generic Deicing/Anti-icing, Runways and Taxiways.

Frost.

Frost consists of ice crystals formed from airborne moisture that condenses on a surface whose temperature is below freezing. Frost differs from ice in that the frost crystals grow independently and therefore have a more granular texture.

Note: Heavy frost that has noticeable depth may have friction qualities similar to ice and downgrading the runway condition code accordingly should be considered. If driving a vehicle over the frost does not result in tire tracks down to bare pavement, the frost should be considered to have sufficient depth to consider a downgrade of the runway condition code.

Generic Solids. The approved specification is SAE AMS 1431, Compound, Solid Runway and Taxiway Deicing/Anti-Icing.

Ice.

The solid form of frozen water to include ice that is textured (i.e., rough or scarified ice).

A layer of ice over compacted snow must be reported as ice only.

Layered Contaminant.

A contaminant consisting of two overlapping contaminants. The list of layered contaminants has been identified in the RCAM and include:

- Dry Snow over Compacted Snow
- Wet Snow over Compacted Snow
- Slush over Ice
- Water over Compacted Snow
- Dry Snow over Ice
- Wet Snow over Ice

Mud.

Wet, sticky, soft earth material.

Multiple Contaminants.

A combination of contaminants (as identified in the RCAM) observed on paved surfaces. When reporting multiple contaminants, only the two most prevalent / hazardous contaminants are reported. When reporting on runways, up to two contaminant types may be reported for each runway third. The reported

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contaminants may consist of a single and layered contaminant, two single contaminants, or two layered contaminants. The reporting of "multiple contaminants" represent contaminants which are located adjacent to each other, not to be confused with a "layered contaminant" which is overlapping. For example:

- Single contaminant and Layered contaminant.

  'Wet' and 'Wet Snow over Compacted Snow'

- Single contaminant and Single contaminant.

  'Wet Snow' and 'Slush'

- Layered contaminant and Layered contaminant.

  'Dry Snow over Compacted Snow' and 'Dry Snow over Ice'

Oil.

A viscous liquid, derived from petroleum or synthetic material, especially for use as a fuel or lubricant.

Runway (Primary and Secondary).

Primary.

Runway(s) being actively used or expected to be used under the existing or anticipated adverse meteorological conditions, where the majority of the takeoff and landing operations will take place.

Secondary.

Runway(s) that supports a primary runway and is less operationally critical. Takeoff and landing operations on such a runway are generally less frequent than on a primary runway.

Snow removal operations on these secondary runways should not occur until Priority 1 surfaces are satisfactorily cleared and serviceable.

Runway Condition Assessment Matrix (RCAM).

The tool by which an airport operator will assess a runway surface when contaminants are present.

Runway Condition Code (RwyCC).

Runway Condition Codes describe runway conditions based on defined contaminants for each runway third. Use of RwyCCs harmonizes with ICAO Annex 14, providing a standardized "shorthand" format (Eg: 4/3/2) for reporting. RwyCC (which replaced Mu values) are used by pilots to determine landing performance calculations.

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Sand.
A sedimentary material, finer than a granule and coarser than silt.

Slush.
Snow that has water content exceeding a freely drained condition such that it takes on fluid properties (e.g., flowing and splashing). Water will drain from slush when a handful is picked up. This type of water-saturated snow will be displaced with a splatter by a heel and toe slap-down motion against the ground.

Slush over Ice.
See individual definitions for each contaminant.

Slippery When Wet Runway.
A wet runway where the surface friction characteristics would indicate diminished braking action as compared to a normal wet runway.

Slippery When Wet is only reported when a pavement maintenance evaluation indicates the averaged Mu value on the wet pavement surface is below the Minimum Friction Level classification specified in Table 3-2 of FAA Advisory Circular 150/5320-12. Some contributing factors that can create this condition include: Rubber buildup, groove failures/wear, pavement macro/micro textures.

Water.
The liquid state of water. For purposes of condition reporting and airplane performance, water is greater than 1/8-inch (3mm) in depth.

Wet Runway.
A runway is wet when it is neither dry nor contaminated. For purposes of condition reporting and airplane performance, a runway can be considered wet when more than 25 percent of the runway surface area within the reported length and the width being used is covered by any visible dampness or water that is 1/8-inch or less in depth.

Wet Ice.
Ice that is melting, or ice with a layer of water (any depth) on top.

Wet Snow.
Snow that has grains coated with liquid water, which bonds the mass together, but that has no excess water in the pore spaces. A well-compacted, solid snowball can be made, but water will not squeeze out.

Chapter 4. Snow Clearing Operations and Ice Prevention

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4.1 Snow Clearing Principals.

a) Ramp Area

The FBO is responsible for clearing snow from its ramp (leasehold). SASO's are responsible for removing snow from their ramps.

Airport management will ensure that the signs are clear of snow after plowing operations on the hard surfaces are complete. If stock piles of snow begin to increase to an unacceptable level, airport management will knock them down or remove them in areas posing a danger to low wing aircraft. All snow within 16 feet of the runway or taxiways should be less than 24 inches high. At 32 feet from movement area the snow may be up to 5 ft. high. All snow exceeding these limits should be moved or hauled away whenever possible.

b) Runway and Taxiways

Typically, the airport manager and his assistant will begin snow removal at his discretion. They will typically meet at a designated time to warm up the equipment and begin clearing snow on the runway using the loader and dump truck. If the FBO has any anticipated customers, they may request specific priorities or alterations in plowing operations.

c) Snowbanks

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Snow Bank Height Profiles

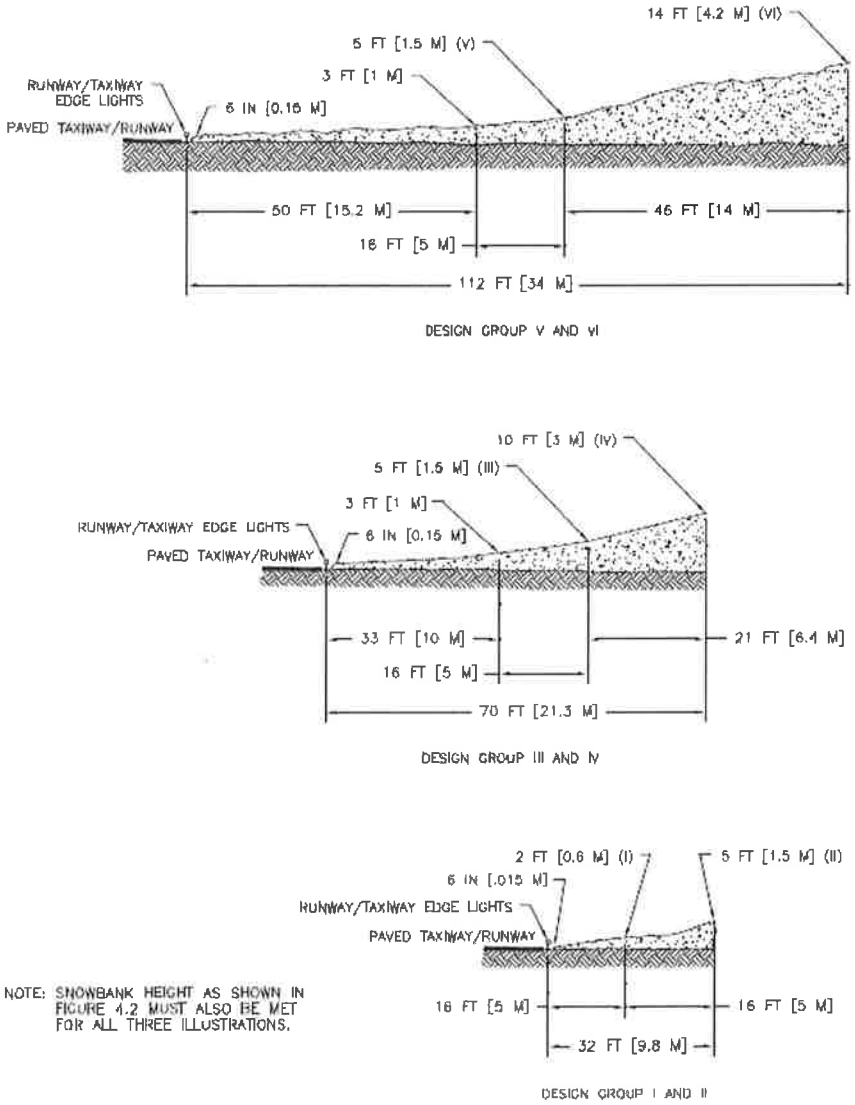

Figure 4-1. Snow Bank Profile Limits Along Edges of Runways and Taxiways with the Airplane Wheels on Full Strength Pavement (see Figure 4-2 guidance)

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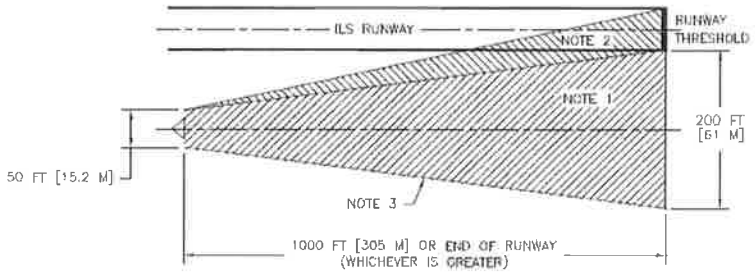
d) NAVAIDs

Snow between the PAPI and the end of Run 22 Threshold should be kept under 2 feet whenever possible as to ensure adequate visibility to pilots. Any snow in this area will be removed or handled by airport employees.



NOTES:

1. CATEGORY I GLIDE SLOPE SNOW CLEARANCE AREA.
2. CATEGORY II AND III GLIDE SLOPE SNOW CLEARANCE AREA. THE AREA DEPICTED UNDER NOTE 1 SHALL ALSO BE CLEARED.
3. THE DEPTH OF SNOWBANKS ALONG THE EDGES OF THE CLEARED AREA SHALL BE LESS THEN 2 FEET.

ACTION TAKEN	SNOW DEPTH		
	SBR <6 IN [15 cm] NR. CEGS <18 IN [45 cm]	SBR 6 TO 8 IN [15 TO 20 cm] NR. CEGS 18 TO 24 IN [45 TO 60 cm]	SBR >8 IN [20 cm] NR. CEGS <24 IN [60 cm]
SNOW REMOVAL (SEE ABOVE FIGURE)	REMOVAL NOT REQUIRED RESTORE FULL SERVICE AND CATEGORY.	ILS CATEGORY I REMOVE SNOW 50 FT [15M] WIDE AT MAST WIDENING TO 200 FT [60M] WIDE AT 1000 FT [300M] OR END OF RUNWAY TOWARD MIDDLE MARKER. ILS CATEGORIES II AND III AS ABOVE PLUS WIDEN THE AREA TO INCLUDE A LINE FROM THE MAST TO THE FAR EDGE OF RUNWAY THRESHOLD.	
NO SNOW REMOVAL	RESTORE FULL SERVICE AND CATEGORY.	ALL CATEGORIES RESTORE TO CATEGORY I SERVICE. CATEGORY D AIRCRAFT MINIMA RAISED TO LOCALIZER ONLY. TYPICAL NOTAM TEXT: "DUE TO SNOW ON THE XXX (APPROPRIATE IDENTIFER) GLIDE SLOPE, MINIMA TEMPORARILRY RAISED TO LOCALIZER ONLY FOR CATEGORY D AIRCRAFT" IF APPLICABLE, "CATEGORY II NA"* OR "CATEGORY II/III NA".	ALL CATEGORIES APPROACH RESTRICTED TO LOCALIZER ONLY MINIMA. TYPICAL NOTAM TEXT: "DUE TO SNOW ON THE XXX (APPROPRIATE IDENTIFER) GLIDE SLOPE, MINIMA TEMPORARILRY RAISED TO LOCALIZER ONLY.

* NA (NOT AUTHORIZED)

Figure 4-2. ILS CAT I and CAT II/III Snow Clearance Area Depth Limitations

4.2 Controlling Snow Drifts.

There are no snow fences or additional snow drift controls currently at the Heber Airport. Should the snow build up in areas (such as around gates or fences) that

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begin to cause a problem or create a safety issue, airport employees shall attempt to remove the snow/ice or find other solutions to resolve the problem.

4.3 Snow Disposal.

Typically, the excess snow from the ramp is piled up: between the ramp and the SRE building on the FBO leasehold, off the side of Hangars B, C and D, or out in empty fields. Any large piles of excess snow should be at least 35 feet away from any taxi way or runway whenever possible.

4.4 Methods for Ice Control and Removal–Chemicals.

So far the Heber Airport does not use anti-ice or de-ice products in order to eliminate snow and ice, nor do we currently have the equipment to do so.

4.5 Sand (for the purposes of treating a winter surface).

Heber Airport does not use sand for the purpose of treating snow and ice.

4.6 Surface Incident/Runway Incursion Mitigation Procedures.

Having snow removal equipment on the runway and taxi-ways during adverse weather conditions increases the risk of surface incidents or runway incursions. In order to minimize these risks, airport management keep radios with them during snow removal operations in order to monitor radio calls and pilot communications. They also have lights and strobes on whenever they are in movement areas. They also carry cell phones so they can communicate with each other as well as with other airport users that may need to communicate with them during these operations. When city plow crews are called out, the runway shall be NOTAM'd closed and airport personnel will act as lifeguard, monitoring the UNICOM. Any incidents, incursions, near misses etc. should be immediately reported to the airport manager who can then document and record such events in a responsible manner. NOTAM's will only be issued to inform pilots of snow removal operations or to report significant safety concerns. Other standard weather conditions can be obtained through AWOS, PIREP's or by contacting the FBO.

a) Radio Communication

As mentioned above, any snow removal equipment on the runway and taxiways should have radios as well as an understanding of how to use them. Any snow removal personnel should use the local Unicom frequency 122.800. They should also make periodic announcements of their location and intentions when in

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movement areas. Airport users should be aware that some locations on the airport do not always allow for clear communication. Knowing that not all communications are always transmitted or received, operators should always be vigilant, scanning for other vehicles and aircraft on an ongoing basis. They should err on the side of safety whenever possible and maintain the appropriate amount of situational awareness.
We do not have a tower or ground control frequencies, therefore it is imperative that all airport users keep aware of other operations being conducted at the airport. Remember, "If you see something, say something."

b) Failed Radio Communication

If a radio dies, or an operator finds his radio is not receiving or transmitting properly, they should find or request a different radio. If radio communication fails operators should move to a safer location until the issue can be resolved. Cell phones can be used to communicate with others at times as well.

c) Low Visibility and Whiteout Conditions

It is not uncommon to have very low visibility or whiteout conditions when performing snow removal activities. At such times, it is imperative to have good communication between operators. It is important to know who is where and why. Operators must stay informed of what other equipment is doing. It is particularly important that drivers approach blind corners with caution. Hangars, buildings, aircraft, other vehicles and piles of snow etc. can all cause visual impairments and be the cause of an accident. Icy or wet conditions can also add to braking distances and reaction times. If white out or other unsafe conditions occur, all operations will stop until conditions improve and it is safe to proceed.

d) Driver Fatigue

Often during winter events, employees feel obligated to keep working until the job is done. However, if drivers work for too long they can become fatigued and cause harm to themselves, their equipment or others, this could become dangerous and unsafe. It is important that drivers watch for signs of fatigue in themselves and those around them in order to emphasize safety. Drivers should take a minute to get out and stretch their legs every few hours, they should also check in with each other every couple hours to reassess the snow removal operations as well as assess how alert they are. Fatigue can be particularly dangerous during a heavy storm or when a storm continues for multiple days in a row. During long drawn out storms, employees should be particularly sensitive to signs of fatigue and raise any safety concerns immediately.

Chapter 5. Surface Assessment and Reporting

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The airport manager will remain aware and continuously monitor all paved surface conditions in order to plan and carry our appropriate maintenance actions in accordance with the Snow and Ice Control Plan. When snow has begun to accumulate at the airport, the airport manager will check, or assign the assistant airport manager, to assess the snow accumulation.
Once the snow has accumulated to about an inch and one half, on 75% of the runway, snow removal operations will commence. This assessment can vary depending on anticipated further accumulation, temperatures, time of day etc. It will be up to the airport manager to ultimately decide when and how snow removal operations commence. The airport strives to maintain a 'no worse than wet' surface condition. When necessary the airport manager (or those authorized and assigned) will issue a NOTAM with any accompanying information.

5.1 Conducting Surface Assessments.

In order to assess the surface conditions a physical measurement will be conducted. The person conducting the measurement will drive out to the runway and measure the depth of the snow or contaminate. After measuring the depth, they will then drive down the runway and abruptly apply their brakes so as to be able to assess the braking ability. This process will be conducted three times, once at each end of the runway as well as in the middle. These results will be recorded and reported to or by the airport manager and recorded in the office. When appropriate, the information will be reported during the NOTAM. Any abnormal conditions (such as severe icing) whether on the runway or at other locations around the airport shall be reported as well. These assessments will be performed at the beginning of the day as well as throughout the day as needed.

5.2 Applying the Runway Condition Assessment Matrix (RCAM).

a) Determining Runway Conditions

NOTAMs will typically be issued by the airport manager. If the airport manager is unavailable, NOTAMs may also be issued (or cancelled) by Jeff Dowling, Alan Robertson, Nadim Abuhaidar, or Steve Tozier. The runway condition assessment will be defined by the FAA Matrix as described in the most current Advisory Circular, as well as in our own "normal" verbiage. Under normal conditions NOTAM's will report only "Be alert for Snow Removal Operations". However, if icing or other concerning conditions are occurring they will be reported using the following assessments:

Step 1: Runway Condition Code (RwyCC) Applicability:

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If 25 percent or less of the overall runway length and width or cleared width is covered with contaminants, RwyCCs will not be applied, or reported. The airport operator in this case, will simply report the contaminant percentage, type and depth for each third of the runway, to include any associated treatments or improvements.

Or

If the overall runway length and width coverage or cleared width is greater than 25 percent, RwyCCs must be assigned, and reported, informing airplane operators of the contaminant present, and associated codes for each third of the runway. (The reported codes, will serve as a trigger for all airplane operators to conduct a takeoff and/or landing performance assessment).

Step 2: Apply Assessment Criteria

Based on the contaminants observed, the associated RwyCC from the RCAM for each third of the runway will be assigned.

Step 3: Validating Runway Condition Codes

If the observations by the airport operator determine that RwyCCs assigned accurately reflect the runway conditions and performance, no further action is necessary, and the RwyCCs generated may be disseminated.

b) Downgrade Assessment Criteria

When observations indicate a more slippery condition than generated by the RCAM, the airport operator may downgrade the RwyCC(s). When applicable, the downgrade of RwyCCs may be based on friction (μ) readings, vehicle control or pilot reported braking action or temperature.

> NOTE: Temperatures near and above freezing (e.g., at negative 26.6° F (-3° C) and warmer) may cause contaminants to behave more slippery than indicated by the runway condition code given in the RCAM. At these temperatures, airport operators should exercise a heightened awareness of airfield conditions, and should downgrade the RwyCC if appropriate.

c) Upgrade Assessment Criteria Based on Friction Assessments.

RwyCCs of 0 or 1 may only be upgraded when the following requirements are met.

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1. All observations, judgment, and vehicle braking action support the higher RwyCC, and
2. Mu values of 40 or greater are obtained for the affected third(s) of the runway by a calibrated friction measuring device that is operated within allowable parameters.
3. This ability to raise the reported RwyCC to no higher than a code 3 can only be applied to those runway conditions listed under code 0 and 1 in the RCAM. (See footnote 2 on the RCAM.)
4. The airport operator must also continually monitor the runway surface as long as the higher code is in effect to ensure that the runway surface condition does not deteriorate below the assigned code.

   a. The extent of monitoring must consider all variables that may affect the runway surface condition, including any precipitation conditions, changing temperatures, effects of wind, frequency of runway use, and type of aircraft using the runway.

   b. If sand or other approved runway 'treatments' are used to satisfy the requirements for issuing the higher runway condition code, the monitoring program must confirm continued effectiveness of the treatment.

5.3 Runway Friction Surveys, Equipment, and Procedures.

Heber Airport does not currently have a decelometer or other accurate runway friction measuring equipment. We are therefore relying on breaking abilities we observe in an airport vehicle to determine breaking ability on the runway.

5.4 Taxiway, Apron, and Holding Bay Assessments.

Assessments to these surfaces will occur when contaminants are present, and whenever a contaminant is present on the surface. Assessments will occur anytime the pavement is worse than wet. Surfaces will be monitored on a regular, continual basis by airport and FBO employees. The airport will monitor the taxiway and commercial operators will monitor areas pertaining to their leasehold.

5.5 Surface Condition Reporting.

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The airport manager will carefully monitor changing airfield conditions and disseminate information about those conditions via the NOTAM System in a timely manner to airport users.

Runway: Runway condition reports will occur when contaminants are present on a runway surface via the Federal NOTAM System. Condition Reports and RwyCCs will be updated as necessary whenever conditions change, such as a contaminant type, depth, percentage or treatment/width change.

Taxiway, Apron or Holding Bay: Taxiway, Apron or Holding bay condition reports will occur when contaminants are present on these surfaces via the Federal NOTAM System. NOTAMS will be updated as necessary whenever conditions change, such as a contaminant type, depth, percentage or treatment/width change.

An update to NOTAM's could be necessary any time due to any change in the surface conditions. These changes could be caused by many things, including the following:

- active snow event
- plowing
- rapidly rising or falling temperatures
- rapidly changing conditions

The term 'DRY' is used to describe a surface that is neither wet nor contaminated. While a FICON NOTAM is not generated for the sole purpose of reporting a dry runway, a dry surface will be reported when there is need to report conditions on the remainder of the surface. (For example: snow is present on the first two thirds of the runway.)

5.6 Reportable Contaminants without Performance Data.

If present, unable to be removed, and posing no hazard, mud will be reported with a measured depth. Ash, oil, sand, and rubber contaminants will be reported without a measured depth. These contaminants will not typically generate a RwyCC.

5.7 Slippery When Wet Runway.

The airport will report via the NOTAM system a RwyCC of '3' for the entire runway (by thirds: 3/3/3) when the runway is wet.

A runway condition description of 'Slippery When Wet' will be used for this condition.

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If it is determined by the airport that a downgrade is necessary, the downgrade will be made to all three runway thirds match (i.e. 3/3/3, 2/2/2, 1/1/1).

The NOTAM will be cancelled when the minimum runway friction level classification has been met or exceeded.

5.8 Requirements for Closures.

Runways receiving a NIL braking (either pilot reported or by assessment by the airport) are unsafe for aircraft operations and will be closed immediately when this unsafe condition exists.

When previous PIREPs have indicated GOOD or MEDIUM braking action, two consecutive POOR PIREPS should be taken as evidence that surface conditions may be deteriorating and an assessment should occur before the next operation. This assessment should occur as soon as air traffic volume allows.

The airport will maintain available airport surfaces in a safe operating condition at all times and provide prompt notifications when areas normally available are less than satisfactorily cleared for safe operations. If a surface (runway, taxiway, apron, lane or holding bay) becomes unsafe due to a NIL (by braking action or assessment) or otherwise unsafe hazard or condition, the surface will be closed until the condition no longer exists and is safe.

5.9 Continuous Monitoring and Deteriorating Conditions.

Under deteriorating conditions, the airport will take all reasonable steps using available equipment and materials that are appropriate for the condition to improve the braking action. If braking action cannot be improved, and the surface is not NIL, the airport will continually attempt to monitor the runways, taxiways, aprons and holding bays to ensure braking does not become NIL.

Including but not limited to:

- Frozen or freezing precipitation.
- Falling air or pavement temperatures that may cause a wet runway to freeze.
- Rising air or pavement temperatures that may cause frozen contaminants to melt.
- Removal of abrasives previously applied to the runway due to wind or airplane effects.

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- Frozen contaminants blown onto the runway by wind.

5.10 Surface Conditions Not Being Monitored/Reported

Certain hard surfaces at and around the airport will not necessarily be monitored closely or at all. Unused parking areas and other hard surfaces will likely be cleared of snow at some point but will not be monitored.

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APPENDIX - A

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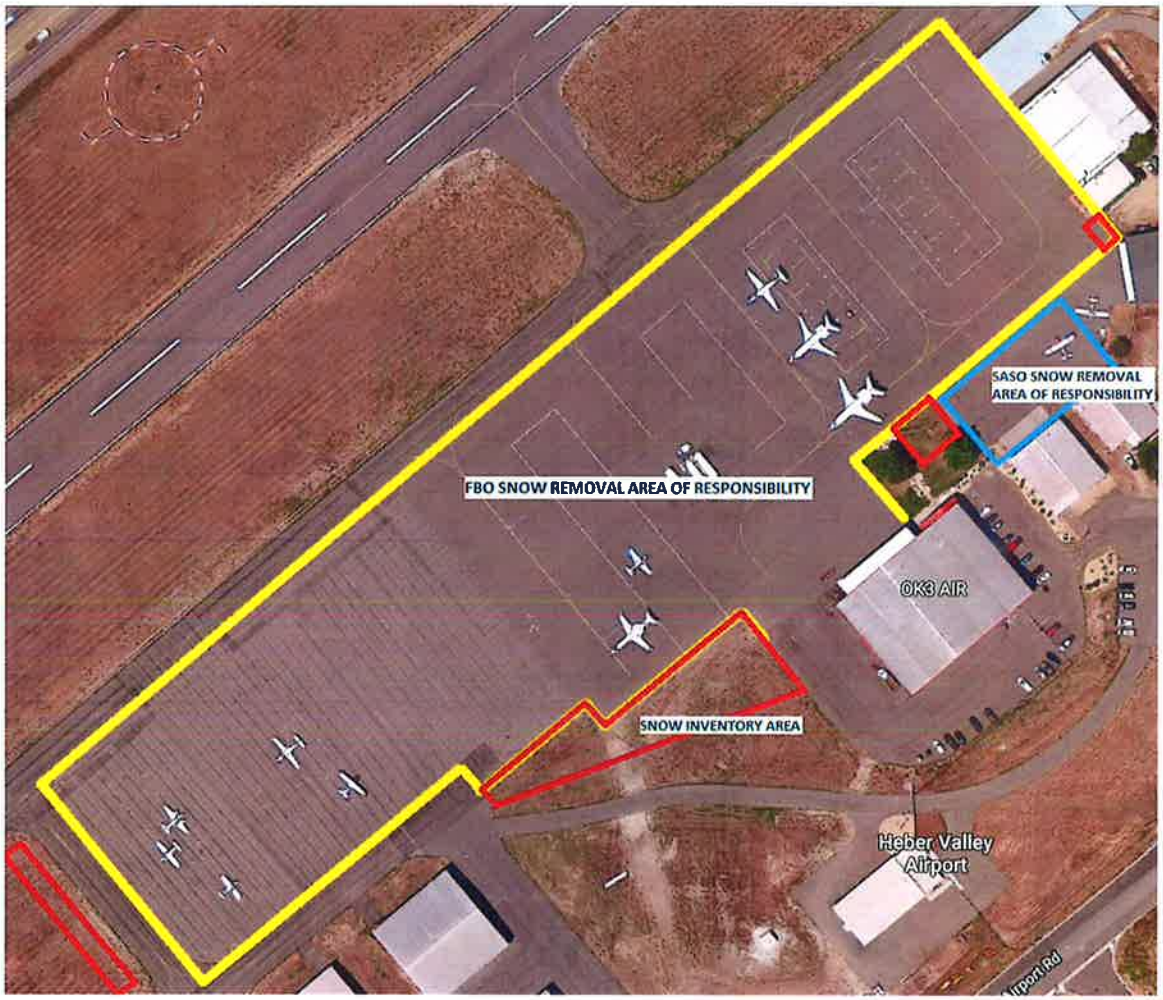
APPENDIX – B



* Areas of snow removal responsibility for hangar tenants is the entire leasehold or generally, 10 feet beyond the front of hangars.

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APPENDIX – C

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APPENDIX – D

CITY SNOW REMOVAL RATE SCHEDULE

Should OK3 or any commercial entity want to hire city plow trucks to help remove snow they should contact:

1) Public Works On Duty Phone 801-420-5060 or
2) Chris Davis 435-503-5415
3) Steve Tozier 801-420-2495

When the airport needs additional help with snow removal the airport manager may call them as well.

There is a maximum of 10 plow trucks that the city can provide once city street plowing operations are completed. City street plowing often begins at 2am and usually takes about 6 hrs. to complete during normal plowing conditions. Once city street plowing needs are complete assets are available for use at the airport.

The costs for city assets are as follows:

$310 per hour, per asset

Two-hour minimum

APPENDIX – E

COMMERCIAL OPERATOR SNOW REMOVAL, APPROVED PROTOCOLS

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OK3 AIR

1. Snow removal vehicles must have an amber beacon in operation during snow removal ops. Vehicles must not enter the airport movement area during snow removal operations. Snow plow blades must not scar, gouge or otherwise damage pavement, paint or tie downs. Aircraft have the right of way.
2. Parking lots – snow must not be pushed onto the adjacent commercial operator leasehold.
3. Inventory of snow is approved in the turf off the SW end of the aircraft parking ramp. Snow bank profile limits as specified on page 18, Figure 4-1, Design Group I and II must be adhered to. Taxiway lights must be kept clear of snow and undamaged.
4. Inventory of snow is approved in the area along the fence line between Hangar A and Hangar B. Snow banks at this location must not interfere with wing clearance for aircraft utilizing the adjacent taxi lane or damage the chain link fence.
5. Inventory of snow is approved on the turf area directly in front of the FBO main building.

PILOT MAKERS

1. Snow removal vehicles must have an amber beacon in operation during snow removal ops. Vehicles must not enter the airport movement area during snow removal operations. Snow plow blades must not scar, gouge or otherwise damage pavement, paint or tie downs. Aircraft have the right of way.
2. Parking lots – snow must not be pushed onto the adjacent commercial operator leasehold.
3. Inventory of snow is approved in the turf and pavement area along the fence line in between Hangar B and Hangar C. Snow banks should not damage the fence.
4. Inventory of snow is approved in the turf area directly SW of the leasehold apron. Any damage incurred to the turf or sprinklers must be repaired by Pilot Makers.

APPENDIX – F

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SNOW REMOVAL OPS, CALL DOWN LIST

CITY STAFF :	
AIRPORT MANAGER, TRAVIS BIGGS:	435-671-1459, mobile
DIRECTOR, PUBLIC WORKS, STEVE TOZIER:	435 654-3275, office 801 420-2495, mobile
CITY MANAGER, MATT BROWER	435 657-0757, office 435 315-8060, mobile
OK3 AIR, JEFF DOWLING	435 654-3962, office 435 512-2751, mobile
PILOT MAKERS, STERLING WOODRUFF	801-319-4115, mobile

APPENDIX – G

REVISED 02/10/19

DAILY SNOW REMOVAL RECORD

Original Date Oct. 1, 2017
Revision Date November 26, 2018

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DATE:_____ OPS COMMENCE TIME:_____
All times local

STAFF:_____ END TIME:_____

INITIAL
WX OBSERVATION: time_____wind_____ vis_____clouds_____temp_____

_____ METAR ATTACHED ____

ACCUMULATION:_____ TYPE CONTAMINANT:_____

FICON/NOTAMS ATTACHED____RUNWAY, TAXI WAY, A1 & A7 OPEN TIME:_____

AIRFIELD SQUAWKS:_____

_____

EQUIPMENT TIME: PLOW_____ LOADER_____ BLOWER_____

SQUAWKS:_____

CITY FOREMAN CALLED TIME:_____ CITY PLOWS ARRIVE TIME:_____

CITY PLOWED AREA:_____

CITY ASSETS: PLOWS_____ FRONT LOADER:_____ END TIME:_____

AIRFIELD PHOTOS FILED: Y N

NOTES/COMMENTS:

APPENDIX – H

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APPENDIX F. RUNWAY CONDITION ASSESSMENT MATRIX (RCAM) (FOR AIRPORT OPERATORS' USE ONLY)

Assessment Criteria		Downgrade Assessment Criteria		
Runway Condition Description	Code	Mu (μ) [1]	Vehicle Deceleration or Directional Control Observation	Pilot Reported Braking Action
• Dry	6	40 or Higher	—	—
• Frost • Wet (Includes Damp and 1/8 inch depth or less of water) *1/8 inch (3mm) depth or less of:* • Slush • Dry Snow • Wet Snow	5		Braking deceleration is normal for the wheel braking effort applied AND directional control is normal.	Good
5° F (-15°C) and Colder outside air temperature: • Compacted Snow	4	39 to 30	Braking deceleration OR directional control is between Good and Medium.	Good to Medium
• Slippery When Wet (wet runway) • Dry Snow or Wet Snow (Any depth) over Compacted Snow *Greater than 1/8 inch (3mm) depth of:* • Dry Snow • Wet Snow *Warmer than 5° F (-15°C) outside air temperature:* • Compacted Snow	3		Braking deceleration is noticeably reduced for the wheel braking effort applied OR directional control is noticeably reduced.	Medium
Greater than 1/8 (3mm) inch depth of: • Water • Slush	2	29 to 21	Braking deceleration OR directional control is between Medium and Poor.	Medium to Poor
• Ice [2]	1		Braking deceleration is significantly reduced for the wheel braking effort applied OR directional control is significantly reduced.	Poor
• Wet Ice [2] • Slush over Ice • Water over Compacted Snow [2] • Dry Snow or Wet Snow over Ice [2]	0	20 or Lower	Braking deceleration is minimal to non-existent for the wheel braking effort applied OR directional control is uncertain.	Nil

[1] The correlation of the Mu (μ) values with runway conditions and condition codes in the Matrix are only approximate ranges for a generic friction measuring device and are intended to be used only to downgrade a runway condition code; with the exception of circumstances identified in Note 2. Airport operators should use their best judgment when using friction measuring devices for downgrade assessments, including their experience with the specific measuring devices used.

[2] In some circumstances, these runway surface conditions may not be as slippery as the runway condition code assigned by the Matrix. The airport operator may issue a higher runway condition code (but no higher than code 3) for each third of the runway if the Mu value for that third of the runway is 40 or greater obtained by a properly operated and calibrated friction measuring device, and all other observations, judgment, and vehicle braking action support the higher runway condition code. The decision to issue a higher runway condition code than would be called for by the Matrix cannot be based on Mu values alone; all available means of assessing runway slipperiness must be used and must support the higher runway condition code. This ability to raise the reported runway condition code to a code 1, 2, or 3 can only be applied to those runway conditions listed under codes 0 and 1 in the Matrix.

The airport operator must also continually monitor the runway surface as long as the higher code is in effect to ensure that the runway surface condition does not deteriorate below the assigned code. The extent of monitoring must consider all variables that may affect the runway surface condition, including any precipitation conditions, changing temperatures, effects of wind, frequency of runway use, and type of aircraft using the runway. If sand or other approved runway treatments are used to satisfy the requirements for issuing this higher runway condition code, the continued monitoring program must confirm continued effectiveness of the treatment.

Caution: Temperatures near and above freezing (e.g., at 26.6° F (-3°C) and warmer) may cause contaminants to behave more slippery than indicated by the runway condition code given in the Matrix. At these temperatures, airport operators should exercise a heightened level of runway assessment, and should downgrade the runway condition code if appropriate.

F-1

APPENDIX – I

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APPENDIX A. SAMPLE AIRPORT CONDITIONS ASSESSMENT WORKSHEET

Airport ID: _____ **Date:** _____ **Pilot Reported Braking Action** (within 15 minutes of assessment when available): _____

Observed time (local): _____

Instructions

- Fill out a separate form for each runway.
- **Outside Air Temperature (OAT)**: Only applicable to compacted snow. If the OAT is warmer than 5° F (-15 °C), the RCAM generates Code 3. If the OAT is 5° F (-15 °C) or colder, the RCAM generates Code 4.
- **Depth.** Report inches or feet, as directed by the current version of AC 150/5200-30.
- **Contaminants**. See the current version of AC 150/5200-30 for a list of approved contaminant entries.
- **Runway Condition Code**: See Table 5-2, Runway Condition Assessment Matrix (RCAM), in AC 150/5200-30. Only report if contaminant coverage is greater than 25 percent. Otherwise, leave blank.
- **Airport Operator Generated Condition Codes (Optional)**: If you do not think the RCAM generated code accurately reflects conditions, use the optional table below to indicate the upgraded or downgraded codes that you intend to report in the NOTAM system. Upgrade Codes 0 or 1 only.

Airport Conditions Assessment

Runway direction in use: _____ **Is OAT warmer than 5° F (-15 °C)?** Yes No

Coverage		Depth	Contaminants	Runway Cond. Code
Location	%			
Touchdown				
Midpoint				
Rollout				

Optional Information

Use the table below if you intend to report a downgraded or upgraded code in the NOTAM system.

Airport Operator Generated Condition Codes Reported in NOTAM System

Upgrade or Downgrade?*	Touchdown Code	Midpoint Code	Rollout Code

*For upgrades, the issuer certifies all upgrade requirements are met: Friction values ≥40 in affected third(s), friction equipment is calibrated; airport judgment, observations, and vehicle braking action support upgraded codes; continuously monitor conditions while the upgraded codes are in effect.

*For downgrades, the issuer certifies all downgrade requirements are met: Airport operator experience, Friction values <40 in affected third(s), deceleration and directional control observation(s), and/or Pilot reported braking action from landing aircraft.

Exhibit 3

Dispute Resolution Protocol

A. NOTICE AND OPPORTUNITY TO CURE. Unless a shorter cure period or right to immediate termination is expressly provided in this AGREEMENT, no PARTY shall be considered in default of any provision of this AGREEMENT, or any covenant or obligation pertaining to the use or occupancy of the AIRPORT property, and no right of termination shall arise, unless and until the counter-PARTY has provided such PARTY with written notice of default and not less than thirty (30) days to cure such default or, if the default is not capable of cure within thirty (30) days, such PARTY has within thirty (30) days commenced, and thereafter diligently proceeds to complete, those actions reasonably necessary to cure such PARTY's default.

B. INFORMAL DISPUTE RESOLUTION. The PARTIES agree that, at all times, they will attempt in good faith to resolve all disputes that may arise under this AGREEMENT. Upon receipt of written notice of a dispute from a PARTY, the PARTIES agree to refer the dispute to the City Manager, for the CITY, and the Chief Executive Officer, for LESSEE (collectively, the "DESIGNATED PERSONS"). The DESIGNATED PERSONS shall within fifteen (15) days of such written notice meet and negotiate in good faith to resolve the dispute, conferring thereafter as often as they deem reasonably necessary, and shall gather and in good faith furnish to each other any information pertinent to the dispute. All communications between the DESIGNATED PERSONS during the dispute resolution procedures set forth in this Paragraph shall be deemed confidential and treated as compromise and settlement negotiations and shall not be admissible in evidence by any proceeding without the mutual consent of the PARTIES.

C. MEDIATION. Mediation of a dispute arising under this AGREEMENT may not be commenced until the earlier of: (i) such time as both of the DESIGNATED PERSONS, after following the procedures set forth in Paragraph A and B hereof, conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely; or (ii) fifteen (15) days after the date of the notice referring the dispute to the DESIGNATED PERSONS. If, after such time period, the dispute remains unresolved, the PARTIES shall attempt to resolve the dispute through mediation administered by the American Arbitration Association under its Commercial Mediation Procedures. The place of mediation shall be in Heber City, Utah, unless the PARTIES agree otherwise. Mediation under this paragraph shall be a necessary prerequisite to any judicial action to enforce the terms and conditions of this AGREEMENT, unless waived in writing with the mutual consent of both PARTIES.

D. JURISDICTION, VENUE AND APPLICABLE LAW. With respect to an action to enforce the terms and conditions of this AGREEMENT only, the PARTIES consent to the exercise of jurisdiction of the Fourth Judicial District, Wasatch County, District Court and hereby agree that the venue of any action with respect to the enforcement of the terms and conditions of this AGREEMENT shall be properly placed before this same court. This AGREEMENT shall be interpreted under the laws of the State of Utah.

.

E. Emergency Relief. No PARTY shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and is not otherwise available under this AGREEMENT.

F. Tolling. If a PARTY receiving a notice of default under this AGREEMENT contests, disputes or challenges the propriety of such notice by making application to the dispute resolution procedure in this **Exhibit 3**, any cure period that applies to such default shall be tolled for the time period between such application and the issuance of a final award.

G. FAA Disputes. The PARTIES understand and acknowledge the FAA's exclusive jurisdiction to determine the CITY's compliance with GRANT ASSURANCES (a "COMPLIANCE DISPUTE"), and that any remedies which may be imposed by the FAA for noncompliance therewith are exclusive. Accordingly, in the event of a COMPLIANCE DISPUTE, and after exhausting the procedures described in Paragraphs A and B hereof, either PARTY may initiate an informal or formal complaint proceeding with the FAA in accordance with 14 C.F.R. Parts 13 and 16 or similar succeeding provisions, without regard to the other provisions hereof.

Exhibit 4

Airport	Sponsor	Fuel	2025	2020	% Change
PVU	Provo City	Jet	$0.08	$0.08	
SPK	Spanish Fork City	Jet	$0.08	$0.05	
U42	SLCDA	Jet	$0.06	$0.06	
SLC	SLCDA	Jet	$0.06	$0.06	
TVY	SLCDA	Jet	$0.06	$0.06	
U14	Nephi City	Jet	$0.25	$0.00	
	AVERAGE		**$0.10**	**$0.05**	**90.3%**
HCR	*Heber City*	*Jet*	*$0.10*[1]	*$0.05*	

Airport	Sponsor	Fuel	2025	2020	% Change
PVU	Provo City	Avgas	$0.08	$0.08	
SPK	Spanish Fork City	Avgas	$0.08	$0.05	
U42	SLCDA	Avgas	$0.06	$0.06	
SLC	SLCDA	Avgas	$0.06	$0.06	
TVY	SLCDA	Avgas	$0.06	$0.06	
U14	Nephi City	Avgas	$0.10	$0.00	
	AVERAGE		**$0.07**	**$0.05**	**41.9%**
HCR	*Heber City*	*Jet*	*$0.07*	*$0.05*	

[1] There is a dispute between the parties regarding the amount of comparable fuel flowage fees charged by Nephi City in 2025. To resolve that disagreement, the parties have agreed to include the amounts referenced in this Exhibit 4 with the understanding that (1) pursuant to Section X.C, the Parties have agreed to establish the FUEL FLOWAGE FEE for Jet-A at eight cents ($0.08) per gallon notwithstanding the indicated average percentage change and (2) the parties have agreed that the fees included for Nephi shall be treated as the fees actually charged by Nephi in 2025 when determining regional trends moving forward.

Exhibit 5

FAA Required Contract Clauses

A. **Compliance with Nondiscrimination Provisions**. During the performance of this AGREEMENT, the LESSEE, for itself, its assignees, and successors in interest (hereinafter for the purposes of this Exhibit collectively referred to as "LESSEE") agrees as follows:

1. **Compliance with Regulations**: LESSEE will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this AGREEMENT.

2. **Non-discrimination**: LESSEE, with regard to the work performed by it during the term of this AGREEMENT, will not discriminate on the grounds of race, color, or national origin, creed, sex, age, or disability in the selection and retention of contractors, including procurements of materials and leases of equipment. LESSEE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21, including amendments thereto.

3. **Solicitations for Agreements, Including Procurements of Materials and Equipment**: In all solicitations, either by competitive bidding, or negotiation made by LESSEE for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential contractor or supplier will be notified by the LESSEE of LESSEE's obligations under this AGREEMENT and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

4. **Information and Reports**: LESSEE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the CITY or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of LESSEE is in the exclusive possession of another who fails or refuses to furnish the information, LESSEE will so certify to the CITY or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance**: In the event of the LESSEE's noncompliance with the Non-discrimination provisions of this contract, the CITY will impose such sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to withholding payments to LESSEE under the AGREEMENT until LESSEE complies, and/or cancelling, terminating, or suspending the AGREEMENT, in whole or in part.

6. **Incorporation of Provisions**: LESSEE will include the provisions of Paragraphs 1 through 6 of this **Exhibit I, Section A** in every contract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. LESSEE will take action with respect to any contract or procurement as the CITY or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if LESSEE becomes involved in, or is threatened with litigation by a contractor, or supplier because of such direction, LESSEE may request the CITY to enter into any litigation to protect the interests of the CITY. In addition, LESSEE may request the United States to enter into the litigation to protect the interests of the United States.

B. Real Property Acquired or Improved Under the Airport Improvement Program. LESSEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this AGREEMENT for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, LESSEE will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

C. Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program. LESSEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that LESSEE will furnish its services in compliance with all other requirements imposed by or pursuant to the List of Nondiscrimination Acts And Authorities.

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

ii. 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964) including amendments thereto;

iii. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose

property has been acquired because of Federal or Federal-aid programs and projects);

iv. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;

v. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);

vi. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

vii. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

viii. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38; and

ix. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

D. **General Civil Rights Provision**. In all its activities within the scope of its airport program, LESSEE agrees to comply with pertinent statutes, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If LESSEE transfers its obligation to another, the transferee is obligated in the same manner as LESSEE. The above provision obligates LESSEE for the period during which the property is owned, used, or possessed by LESSEE and the CITY remains obligated to the Federal Aviation Administration.

E. **Right of Re-Entry**. In the event of breach of any of the above Nondiscrimination covenants, the CITY will have the right to terminate the AGREEMENT and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the AGREEMENT had never been made or issued.

F. **Subcontracts**. LESSEE agrees that it shall insert the above six (6) provisions (Section A through Section E) in any agreement by which LESSEE grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public under this AGREEMENT.

GROUND LEASE AND
FIXED BASE OPERATOR AGREEMENT

This Ground Lease and Fixed Base Operator Agreement ("AGREEMENT") is made and entered into this ___ day of _____, ~~2025~~2026, by and between the Heber City Corporation (the "CITY") and AH Aero Service, Inc. d/b/a OK3 AIR ("LESSEE")~~(~~. LESSEE and the CITY may be referred to throughout this AGREEMENT individually as a "PARTY" and collectively, the "PARTIES"~~)~~.

WHEREAS, the CITY owns and operates the Heber Valley Airport located in Heber City, Wasatch County, Utah ("AIRPORT"), and is the sponsor of the AIRPORT under federal law;

WHEREAS, LESSEE is a full-service fixed base operator ("FBO") located on the AIRPORT, providing aircraft maintenance, ramp parking, fueling, de-icing, overnight hangar services, and other services pursuant to that certain Amended Agreement dated January 8, 1995, originally between the ~~City~~CITY and High City Aviation, Inc., and later assigned to ~~OK3 AIR~~LESSEE, and as amended by the Addendum to Amended 1995 Airport Agreement dated May 8, 2012, the Addendum to the 1995 Airport Agreement dated January 26, 2015, and the Addendum to the 1995 Airport Agreement dated June 29, 2023 (the "FBO LEASE ADDENDUM" and, collectively with the 1995 Airport Agreement and all prior addenda, the "ORIGINAL FBO LEASE").

WHEREAS, LESSEE and the CITY entered into a Settlement Agreement and Mutual Release dated June 29, 2023, which resolves certain claims and potential claims among the PARTIES (the "SETTLEMENT AGREEMENT"), and contemporaneously entered into a Predevelopment Agreement addressing, among other items, the relocation and expansion of ~~LESSEE'S~~LESSEE's leased property as a result of the AIRPORT upgrades proposed in the Airport Layout Plan and Master Plan (the "PREDEVELOPMENT AGREEMENT").

WHEREAS, the SETTLEMENT AGREEMENT and the PREDEVELOPMENT AGREEMENT each ~~contemplates~~contemplate that ~~the~~ LESSEE and the CITY will enter into a new FBO lease and this AGREEMENT is that new FBO lease.

WHEREAS, ~~the~~ LESSEE desires to continue leasing a parcel of land on the AIRPORT for the purpose of developing, operating, and maintaining ~~a~~an FBO and providing such additional services as may be both desired by ~~the~~ LESSEE and authorized by the CITY; and

WHEREAS, ~~the~~ LESSEE shall use the PREMISES as herein defined only for such uses and purposes that are expressly set forth in this AGREEMENT;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the CITY and LESSEE agree as follows:

I. PREMISES

A. The CITY leases to LESSEE, and LESSEE takes from the CITY for its use, that certain real property at the AIRPORT that is fully described on **Exhibit 1** attached and made part hereof ("PREMISES") for the purpose of developing, constructing, and operating an FBO. Per

Section VI.A.1 of the PREDEVELOPMENT AGREEMENT, LESSEE may notify the CITY of additional land to be included in the PREMISES and the PARTIES agree to execute an addendum to this AGREEMENT to (i) replace the existing **Exhibit 1** to depict the revised PREMISES and (ii) revise the BASE RATE as described in Section VI.A.1 of the PREDEVELOPMENT AGREEMENT. ~~The PREMISES shall also include the STORAGE PREMISES as described in Section XI.~~

B. LESSEE accepts the PREMISES "as is" in the condition existing upon the EFFECTIVE DATE (defined in Section II) or, in the case of the PREMISES later added to this AGREEMENT through Section VI.A.1 of the PREDEVELOPMENT AGREEMENT, in the condition existing upon the date of the addendum memorializing the same. LESSEE's acceptance of the PREMISES shall be conclusive evidence that its condition is satisfactory to LESSEE for LESSEE's intended purposes. The CITY makes no representation or warranty respecting the condition of the PREMISES as it now exists or may hereafter be added.

II. TERM

This AGREEMENT shall be effective on the date first written above (the "EFFECTIVE DATE") and shall continue until May 31, 2058, unless sooner terminated as set forth herein (the "TERM"). LESSEE shall have the option to extend the TERM for one additional fifteen (15) year period (the "EXTENDED TERM"), provided that: (i) LESSEE provides written notice to the CITY of its intention to seek the EXTENDED TERM no earlier than May 31, 2048 nor later than May 31, 2057; (ii) such written notice sets forth proposed capital improvements in facilities that contribute to the operation of an FBO, including but not limited to hangars, ramp, and fuel farm (the "ADDITIONAL IMPROVEMENTS") which collectively total not less than $1.5 million in ADJUSTED DOLLARS (defined below); (iii) ~~the~~ LESSEE undertakes and completes, in accordance with the provisions of this AGREEMENT and at its sole expense, the ADDITIONAL IMPROVEMENTS no later than May 31, 2058; and (iv) LESSEE provides the CITY with a statement of the actual costs of the ADDITIONAL IMPROVEMENTS, certified by LESSEE's chief financial officer. Upon the satisfaction of the foregoing conditions, the TERM shall be automatically extended and the CITY shall confirm in writing the EXTENDED TERM. Failure to provide such confirmation will not impact the extension of the TERM so long as LESSEE has complied with this ~~paragraph~~Section II. For the purposes of this AGREEMENT, "ADJUSTED DOLLARS" shall mean the dollar amount indicated in this AGREEMENT multiplied by that fraction the numerator of which is the revised Bureau of Labor Statistics Mountain-Plains Consumer Price Index (the "INDEX") for December of the preceding year and the denominator of which is the INDEX for December 2022. Furthermore, in accordance with the terms of the PREDEVELOPMENT AGREEMENT, the TERM may be adjusted further based on certain milestones described in Section VI of the PREDEVELOPMENT AGREEMENT.

III. HOLDING OVER

A. If LESSEE should hold over and continue in possession of the PREMISES or any portion thereof after termination of the TERM ~~of this AGREEMENT~~ or any renewal or extension thereof, LESSEE's continued occupancy of the PREMISES shall be deemed a tenancy from month to month with respect to such retained portion at a rental rate of one hundred fifty percent (150%) of the BASE RENT due under this AGREEMENT for the month prior to the holdover, subject to

all the terms and conditions of this AGREEMENT. The CITY may terminate the holdover tenancy at any time by providing thirty (30) days' prior written notice to LESSEE.

B. If LESSEE shall holdover and fail to surrender the PREMISES upon termination of this AGREEMENT without the CITY's consent then, in addition to any other liabilities to the CITY arising therefrom, LESSEE shall and does hereby agree to indemnify, defend, and hold the CITY harmless from any loss or liability resulting from LESSEE's failure to surrender the PREMISES, including but not limited to claims made by any succeeding tenant.

IV. CONSTRUCTION AND IMPROVEMENT OF FACILITIES

A. LESSEE, at its sole expense and subject to the CITY's approval as set forth below, may construct or install in or on the PREMISES, in accordance with all applicable laws and ordinances, local rules and regulations and FAA requirements, such buildings, structures, or improvements, or modifications, revisions, or alterations thereto, that LESSEE shall determine to be appropriate for use in connection with its operations under this AGREEMENT; provided, that LESSEE may not cause or permit any improvement on the PREMISES to conflict with the Master Plan or Airport Layout Plan existing at such time and as on file with the FAA.

B. The CITY shall have the right to inspect the plans and specifications of any such buildings, structures, and improvements proposed by LESSEE prior to the construction or installation thereof and to refuse to permit such construction or installation if the external appearance thereof is materially inconsistent with the uniform appearance of existing buildings or structures or does not meet the CITY's uniform and duly adopted regulations or policies, if any, relating to substantial uniformity of appearance of all buildings and structures on the AIRPORT or the safe use of the AIRPORT by others; provided, however, that the ~~City's~~CITY's approval shall not be unreasonably conditioned, withheld, or delayed.

C. LESSEE shall cause all improvements or alterations authorized to be constructed hereunder only by a contractor properly licensed by the State of Utah. LESSEE shall be solely responsible for payment to such contractor for all elements of such construction, and shall keep the PREMISES free and clear of all construction liens resulting from any construction by or on behalf of LESSEE. LESSEE may contest the correctness or validity of any such lien, but shall indemnify, defend, and hold harmless the CITY, its elected representatives, offices, agents, and employees, and the PREMISES from any and all claims and liability for payment of any such lien. The CITY may file a notice of no responsibility for its lien protection.

D. If any construction, improvement, alteration, modification, addition, repair, or replacement that requires the CITY's approval, under applicable laws and ordinances, local rules and regulations and FAA requirements, is made without the CITY's prior written approval, the CITY may, in its sole and unfettered discretion, elect to require ~~the~~ LESSEE to restore the PREMISES to its prior condition and/or modify the PREMISES to the satisfaction of the CITY. The failure to commence and diligently prosecute such removal or modification within thirty (30) days following receipt of notice by the ~~City~~CITY shall constitute an EVENT OF DEFAULT (defined in Section XXI.A).

E. Except as provided in the PREDEVELOPMENT AGREEMENT, LESSEE acknowledges that the CITY shall have no responsibility or obligation to make or maintain any improvements to the PREMISES or to the public roadway and utility access to the PREMISES. LESSEE acknowledges that, except as provided in the PREDEVELOPMENT AGREEMENT, it will be responsible for constructing ramp, taxiways, taxi-lanes, connectors, or other infrastructure necessary to provide access from the PREMISES to the public areas of the AIRPORT.

V. TITLE TO PROPERTY AT EXPIRATION OF AGREEMENT

At the expiration of this AGREEMENT, or upon the AGREEMENT being terminated due to the default of LESSEE or for any other reason, any and all property, except trade fixtures or equipment of ~~the~~ LESSEE, its guests, business invitees, licensees, employees, agents, contractors, assigns, subtenants, or other person claiming under LESSEE, shall become the sole property of the CITY. Any trade fixtures or equipment not removed within thirty (30) business days of expiration or termination shall become the property of the CITY. Notwithstanding the foregoing, nothing herein shall be construed to deprive the CITY of the right to demand that LESSEE remove, at LESSEE's sole expense, all or any part of any property left behind and to restore the PREMISES to its original condition and such other improvements or alterations authorized by the CITY pursuant to ~~Article IV~~Section IV above, which the CITY expressly reserves. In that event, the CITY also reserves the right to charge LESSEE for the removal of any property not removed plus reasonable administrative costs.

VI. PRIVILEGES GRANTED TO LESSEE

The CITY grants to LESSEE the following rights and privileges, subject to LESSEE's compliance with the MINIMUM STANDARDS (except as provided in Section ~~XVIII),~~ XVIII), all lawful rules and regulations governing conduct at the AIRPORT and operations thereon promulgated from time to time by the CITY (the "RULES AND REGULATIONS"), and all orders, rules and/or regulations of the FAA, Transportation Security Administration ("TSA"), Department of Homeland Security ("DHS"), and Environmental Protection Agency ("EPA"):

A. The exclusive right to use the PREMISES in connection with the conduct of operating an FBO at the AIRPORT, as defined by, and meeting all requirements stated in, the MINIMUM STANDARDS, as they may be from time to time amended in accordance with Section ~~XVIII~~XVIII, and for no other purpose, unless expressly authorized by the CITY in writing;

B. The right to use, in common with others, the facilities and improvements owned or constructed by the CITY which are of a public nature and available for public use;

C. The right of ingress and egress from the PREMISES for LESSEE's employees, agents, and customers to the extent reasonably necessary in connection with LESSEE's operations as authorized by this AGREEMENT;

D. The right to install, operate, maintain, repair, and store all equipment necessary for the conduct of LESSEE's operations as authorized by this AGREEMENT; and

E. The right to erect new signs or other advertising upon the PREMISES with the CITY's prior written consent, provided such signs or other advertising are consistent with the

~~City's~~CITY's zoning code and other applicable laws. Such signs shall be limited to promoting LESSEE's ~~on-airport~~on-AIRPORT operations. LESSEE, its agent or employees, shall not solicit by way of hand-held signs, direction arrows, or vehicles signs, for the purpose of soliciting the purchase of any aviation services or other related activity. Notwithstanding the foregoing, LESSEE shall be permitted to maintain any signage existing as of the EFFECTIVE DATE on its ~~on-airport~~on-AIRPORT vehicles, fuel farm and buildings, and shall be permitted in the future to erect signage on the PREMISES, equipment, hangars and on vehicles which identify LESSEE's operations and property for directional guidance and other identification or informational functions. Any sign or advertising approved by the CITY shall remain the property of ~~the~~ LESSEE and upon termination of this AGREEMENT shall be removed by LESSEE at no cost to CITY.

VII. RESTRICTIONS ON LESSEE'S USE OF THE PREMISES

LESSEE's use of the PREMISES is limited by the following:

A. The PREMISES may not be used for any purpose other than that expressly authorized herein without obtaining a written amendment to this AGREEMENT in accordance with ~~Article XXXIV~~Section XXXII or a Commercial Activity Permit in accordance with the then-current MINIMUM STANDARDS.

B. LESSEE shall not commit or permit any nuisance on the PREMISES other than in the ordinary course of business operating an FBO in accordance with applicable laws.

C. LESSEE shall not erect, place upon, operate, or maintain any improvement on the PREMISES, nor conduct business therein, in violation of the terms of this AGREEMENT or any applicable law, statute, ordinance, regulation, rule, or order of any federal, state, or local governmental agency having jurisdiction over the PREMISES.

D. The CITY reserves for the use and benefit of the public, the right of aircraft to fly in the airspace over the PREMISES, together with the right of said aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the AIRPORT, and the right to pursue all operations of the AIRPORT.

E. LESSEE shall not erect any structure or allow the growth of any plant or natural object that would constitute an obstruction to air navigation as defined in 14 CFR Part 77; nor shall LESSEE conduct any activity on the PREMISES that would interfere with or be a hazard to the flight of aircraft over the land or to and from the AIRPORT or interfere with air navigation and communication facilities serving the AIRPORT. The CITY shall have the continuing right and easement to take any action it deems necessary to prevent the erection or growth of any structure, tree or other object into the air space, or development of any hazard to air navigation or communication, and to remove or abate from such air space, or mark and light as obstructions, any such structure, tree, object or hazard, and shall have the right of ingress and egress over the PREMISES for such purposes.

F. LESSEE agrees that the PREMISES shall not be used as living quarters.

G. ~~G.~~ LESSEE shall not use the PREMISES for non-aeronautical purposes without the ~~City's~~CITY's prior written approval. LESSEE shall at all ~~time~~times comply, and

undertake commercially reasonable ~~effort~~efforts to ensure that its ~~subtenants~~guests, business invitees, licensees, ~~or others within~~employees, agents, contractors, assigns, subtenants, or other persons under LESSEE's control materially comply with the FAA's *Policy on the Non-Aeronautical Use of Airport Hangars*, 81 Fed. Reg. 38906 (June 15, 2016), as it may be amended.

H. ~~G.~~ LESSEE shall manage the aircraft parking ramp in order to ensure reasonable ingress and egress to and from those facilities adjacent to the PREMISES across the aircraft parking ramp, including Hangars B, C and D. Upon reasonable notice by the Heber City Airport Manager (the "AIRPORT MANAGER") that ingress or egress to Hangars B, C, or D is blocked, LESSEE shall promptly reposition any aircraft parked so as not to impede such ingress or egress. For the purpose of this paragraph, an aircraft shall be considered parked if it is unattended for a period of longer than thirty (30) minutes.

VIII. LANDING FEES

A. The CITY may choose to impose and collect, either on its own behalf or through another agreement, landing fees on aircraft using the AIRPORT ("LANDING FEES").

B. For the TERM, if the CITY proposes to increase LANDING FEES by more than three percent (3%) year-over-year, the Herber City Council (the "CITY COUNCIL") must determine, in a regularly noticed meeting of the ~~City Council~~CITY COUNCIL open to the public, that such increase is: (i) reasonable and not unjustly discriminatory, pursuant to FAA rules and policy; and (ii) reasonably necessary to achieve or maintain the ~~AIRPORT'S~~AIRPORT's financial self-sustainability. At such public meeting, the CITY shall provide documentation indicating other options for raising revenue considered by the CITY and a financial pro forma showing the proposed projects or operational needs to be funded with the increase in LANDING FEES, and provide a meaningful opportunity for public comment.

IX. RENTAL PAYMENTS, FEES, AND CHARGES

A. BASE RENT

1. The initial ~~BASE RENT~~base rent for the use of the PREMISES described herein shall be $0.07 per square foot ("BASE RENT"). The BASE RENT shall be adjusted on January 1 of each year by a percentage equal to the increase in the INDEX through October 31 of the prior year, as calculated by the U.S. Bureau of Labor Statistics or any successor agency; provided, that no annual increase in BASE RENT shall exceed three percent (3%); and provided further, that the BASE RENT shall not decrease.

2. If LESSEE exercises the option to extend ~~the~~this AGREEMENT for the EXTENDED TERM, the BASE RENT shall be increased to ~~the~~ MARKET AERONAUTICAL RENT~~,~~ (as defined below~~,~~) effective on the first day of the EXTENDED TERM, and then adjusted annually based on the INDEX per Section ~~IX.A.1.~~IX.A.1 above. For the purpose of this AGREEMENT, MARKET AERONAUTICAL RENT shall mean that BASE RENT calculated in accordance with the following:

i. Not later than six (6) months prior to the commencement of the EXTENDED TERM, the CITY shall retain a qualified appraiser to establish the then-current fair market rental

value of the ~~leased~~ PREMISES (not including the value of improvements constructed thereon). The cost of the appraisal shall be borne by the CITY. A copy of the appraisal shall be delivered to LESSEE and to the CITY within sixty (60) days of the appraiser's retention. If LESSEE does not reject the then-current fair market rental value as determined by the appraiser by delivering written notice to the CITY within thirty (30) days of ~~LESSEE'S~~LESSEE's receipt of the report, then such fair market rental value shall be deemed ~~the~~ MARKET AERONAUTICAL RENT.

ii. If LESSEE disputes the determination of the fair market rental value as determined by appraisal, ~~the~~ LESSEE may obtain a second appraisal from a qualified appraiser at ~~LESSEE'S~~LESSEE's expense. If the appraised fair market rental value as determined by the second appraisal is within five percent (5%) of the first appraisal, ~~the~~ MARKET AERONAUTICAL RENT will be that as determined in the first appraisal. If the appraised fair market rental value in the second appraisal differs from the first appraisal by more than five percent (5%), then the first appraiser and second appraiser shall jointly select a third appraiser who shall determine the fair market rental value, at the joint expense of ~~the~~ LESSEE and the CITY. ~~The~~ MARKET AERONAUTICAL RENT shall be the average of the two appraised fair market rental values which are closest.

3. If LESSEE notifies the CITY of additional land to be included in the PREMISES pursuant to the PREDEVELOPMENT AGREEMENT, then the BASE ~~RATE~~RENT shall be modified as described in Section VI.A.1 of the PREDEVELOPMENT AGREEMENT.

B. PRORATION OF RENTAL PAYMENTS. In the event that the commencement or termination of the TERM, with respect to any or all of the PREMISES or the privileges provided by this AGREEMENT, fall on any other date than the first or last day of a calendar month, the applicable rentals, fees, and charges for such month shall be paid pro rata according to the number of days in the month during which said privileges were enjoyed.

C. LATE PAYMENTS. If LESSEE fails to pay BASE RENT within ten (10) days of the due date thereof, LESSEE must also pay the CITY an interest charge of one and one-half percent (1.5%) of the amount owning for each calendar month or part thereof from the due date to the date payment is made. The payment of interest does not excuse or cure any otherwise uncured EVENT OF DEFAULT of LESSEE under this AGREEMENT. Payments received from LESSEE will be applied by the CITY first to accrued interest and second to BASE RENT.

X. FUEL FLOWAGE FEES

A. In addition to the rents provided above, LESSEE shall pay to the CITY within ten (10) days after the end of each month a sum equal to eight cents (8¢) per gallon for each gallon of jet fuel and seven cents (7¢) per gallon for each gallon of aviation gasoline or any other aircraft fuel ("FUEL") received by LESSEE at the AIRPORT during the preceding month, adjusted to 60 degrees Fahrenheit ("FUEL FLOWAGE FEE") and shall be accompanied by bills of lading or a report from ~~the~~ LESSEE's inventory system documenting the date and volume of each such delivery for each type of ~~fuel~~FUEL sold. Nothing in this paragraph shall require ~~the~~ LESSEE to disclose the price paid for such ~~fuel~~FUEL deliveries.

B. Receipt of all FUEL shall be metered in a manner satisfactory to the CITY (within general industry standards) and CITY shall, upon reasonable notice to LESSEE, have the right during normal business hours to examine the equipment used in connection with the receipt, storage, and dispensing of FUEL by LESSEE.

C. The FUEL FLOWAGE FEE may, in the ~~City's~~CITY's discretion, be reviewed not more than once every five (5) calendar years and increased or decreased to reflect regional trends, as set forth in this ~~section~~Section X.C, rounded to the nearest cent; provided, however, the ~~City~~CITY shall not review the FUEL FLOWAGE FEE prior to the fifth (5th) anniversary of the ~~Effective Date~~EFFECTIVE DATE. The relevant region to determine regional trends is defined as all publicly owned airports within a 50 nautical mile radius of the ~~Airport~~AIRPORT at which ~~fuel~~FUEL services are available. The term regional trends refers to the percentage change in the average fuel flowage fee for each type of FUEL charged by all airports in the relevant region, which shall be determined by comparing the average fuel flowage fee charged by airports in the relevant region for each type of FUEL at the time of the review with the average fuel flowage fee charged by the airports in the relevant region for each type of FUEL at the time of the previous review (such previous review to have been conducted at least five (5) years previously). An illustrative example of the foregoing process is attached **Exhibit 4**; provided, however, the ~~Parties~~PARTIES agree that the FUEL FLOWAGE FEE reflected in Paragraph ~~X.A~~X.A above reflects a ~~compromise~~mutually agreed upon FUEL FLOWAGE FEE that was not calculated using the foregoing process as further described on Exhibit 4, and the CITY shall nevertheless be bound by the process provided herein going forward and by the 2025 fuel flowage fees reflected in Exhibit 4 in calculating any future percentage change in the average fuel flowage fee under such process. However, in no event shall the CITY arbitrarily increase the FUEL FLOWAGE FEE for the purpose of eliminating or replacing ~~the~~ LESSEE as the FBO, nor shall the FUEL FLOWAGE FEE be increased if the AIRPORT is not serviced by an instrument approach system, which includes satellite-based approach procedures or similar technology that may be implemented in the future. The ~~City~~CITY shall assess the same FUEL FLOWAGE FEE against any other person or entity authorized to dispense FUEL at the AIRPORT in accordance with the MINIMUM STANDARDS and RULES AND REGULATION, including, without limitation, those conducting self-fueling operations.

~~XI. ADDITIONAL PREMISES FOR SELF-SERVE AVGAS~~

~~A. LESSEE desires to lease certain additional real property at the AIRPORT described on **Exhibit 5** attached hereto for the purpose of developing, constructing, and operating an AVGAS storage tank and self-serve gas pump (the "STORAGE PREMISES"). LESSEE accepts the STORAGE PREMISES "as is" in the condition existing upon the EFFECTIVE DATE. LESSEE's acceptance of the STORAGE PREMISES shall be conclusive evidence that its condition is satisfactory to LESSEE for LESSEE's intended purposes. The CITY makes no representation or warranty respecting the condition of the STORAGE PREMISES as of the EFFECTIVE DATE.~~

~~B. LESSEE shall have the right to install a 10,000 gallon above-ground storage tank, self-service pump and related improvements on the STORAGE PREMISES to be used for the storage of fuel and the operation of Self-Serve AVGAS Facility (the "AVGAS FACILITY") to be managed by LESSEE. The construction and operation of the AVGAS FACILITY shall be subject to the MINIMUM STANDARDS and the terms of this AGREEMENT, including Section IV.~~

~~LESSEE shall pay all costs associated with the construction and operation of the AVGAS FACILITY; provided, however, the CITY shall extend electrical utilities to the AVGAS FACILITY at the CITY's cost. Not less than thirty (30) days after the AVGAS FACILITY is placed into service, LESSEE shall provide CITY with a statement and supporting documentation evidencing the total capital cost of the AVGAS FACILITY (the "CERTIFIED COST").~~

~~C. Notwithstanding any provisions to the contrary in this AGREEMENT, LESSEE's lease of the STORAGE PREMESES shall be subject to the following:~~

~~1. If the PREMISES is modified to include the North FBO Campus pursuant to Section I.A and the PREDEVELOPMENT AGREEMENT, then the STORAGE PREMISES shall merge into such PREMISES, the provisions of this Section XI.C shall be of no further effect, and LESSEE may relocate or modify the AVGAS FACILITY in accordance with the provisions of this AGREEMENT, the MINIMUM STANDARDS and the RULES AND REGULATIONS.~~

~~2. LESSEE may at any time elect to terminate this AGREEMENT with respect to STORAGE PREMISES upon not less than sixty (60) days' written notice to CITY. Prior to such termination, LESSEE shall remove the AVGAS FACILITY from the STORAGE PREMISES and restore the STORAGE PREMISES to its condition as of the EFFECTIVE DATE, at LESSEE's sole expense; provided, however, that LESSEE shall make other arrangements, to the extent necessary, to satisfy the MINIMUM STANDARDS with respect to AVGAS, if any.~~

~~3. At any time after the PREMISES is modified to include the South FBO Campus pursuant to Section I.A and the PREDEVELOPMENT AGREEMENT, or after the PREDEVELOPMENT AGREEMENT is terminated in accordance with the provisions thereof, the CITY may, upon not less than ninety (90) days' written notice to LESSEE, require LESSEE to (i) remove the AVGAS FACILITY from the STORAGE PREMISES and restore the STORAGE PREMISES to its condition as of the EFFECTIVE DATE, at LESSEE's sole expense; or (ii) convey the AVGAS FACILITY *in situ* to the CITY or a third party duly authorized by the CITY to conduct aircraft refueling in accordance with the MINIMUM STANDARDS, free and clear of all liens, claims, or other encumbrances, at the BUYOUT PRICE, as defined below. CITY shall have the right to inspect the AVGAS FACILITY prior to electing the option to purchase, but LESSEE shall have no obligation to repair the AVGAS FACILITY prior to transferring title, provided the condition of the AVGAS FACILITY shall at least comply with the MINIMUM STNDARDS. Upon such removal or conveyance of the AVGAS FACILITY, this AGREEMENT shall terminate as to the STORAGE PREMISES.~~

~~4. For the purposes of this Section XI.C, the "BUYOUT PRICE" shall mean the unamortized portion of the CERTIFIED COST, calculated on a straight-line basis over a period of twenty (20) years from the date the AVGAS FACILITY is placed into service.~~

~~D. Nothing in this Section XI shall be construed as creating any exception or waiver to the MINIMUM STANDARDS with respect to the provision of aircraft fueling. The Parties agree that no assignee, sublessee, or purchaser of this AGREEMENT, the STORAGE PREMISES, or the AVGAS FACILITY, including the CITY, shall have a right to maintain and operate the AVGAS FACILITY except in compliance with the MINIMUM STANDARDS.~~

XI. ~~XII.~~ ADDITIONAL FEES AND CHARGES

LESSEE shall pay to the CITY within ten (10) days of a notice any sum or sums paid by the CITY, or obligation or expense incurred by the CITY, for which ~~the~~ LESSEE has agreed to pay or reimburse the CITY, or which the CITY has paid or incurred because of the failure, neglect, or refusal of LESSEE to perform or fulfill any of the promises, terms, conditions, or covenants required of it under this AGREEMENT.

XII. ~~XIII.~~ LESSEE PRICING

LESSEE shall charge fair, reasonable and not unjustly discriminatory prices for each unit of service, provided that ~~the~~ LESSEE shall be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar type of price reductions to volume purchasers.

XIII. ~~XIV.~~ TAXES

LESSEE covenants and agrees that it will pay, when due, all taxes which may be assessed pursuant to law against the PREMISES, or against the buildings, improvements, and personal property located on the PREMISES, or against any business and activities conducted by LESSEE. LESSEE shall provide the ~~Airport Manager~~AIRPORT MANAGER with satisfactory evidence of such payments within fifteen (15) days from the ~~Airport Manager's~~AIRPORT MANAGER's written request.

XIV. ~~XV.~~ INDEMNITY AND INSURANCE

A. INDEMNIFICATION. LESSEE shall indemnify and hold harmless the CITY, the AIRPORT, the ~~Heber City Council~~CITY COUNCIL, and the Airport Advisory Board (the "AAB"), individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers from any and all claims, demands, damages, fines, obligations, suits, judgments, penalties, causes of action, losses, liabilities, administrative proceedings, arbitration, or costs at any time received, incurred, or accrued by the CITY, the AIRPORT, the ~~Heber City Council~~CITY COUNCIL, and the AAB, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers, arising out of or in connection with LESSEE's activities at the AIRPORT; provided, however, that LESSEE shall have no obligation to indemnify under this Section ~~XIV.A~~XIV.A to the extent such claim arises from the gross negligence, willful misconduct, or sole negligence of any person otherwise required to be indemnified hereunder.

B. ENVIRONMENTAL CONTAMINATION. LESSEE shall defend, indemnify, save, protect, and hold harmless the CITY, the AIRPORT, the ~~Heber City Council~~CITY COUNCIL, and the AAB, individually and collectively, and their representatives, officers, officials, employees, agents, and volunteers in the event of an environmental contaminating accident or incident to the extent such accident or incident is caused by LESSEE, its employees, its vendors or any other personnel used by ~~the~~ LESSEE to maintain LESSEE's facilities, vehicles, equipment, or aircraft.

C. INSURANCE. LESSEE shall procure and maintain insurance coverage and provide evidence of the same as specified by the MINIMUM STANDARDS, as they may be from time to time amended.

XV. ~~XVI.~~ MAINTENANCE AND REPAIR

A. LESSEE shall keep and maintain the PREMISES and all improvements thereon in good condition, reasonable wear and use excepted, and in a sanitary and ~~slightly~~sightly condition. LESSEE agrees to provide at its own expense such janitorial and cleaning services and supplies, trash removal services, and any related services as may be necessary or required in the operation and maintenance of the PREMISES. The restrooms and reception areas shall be available to that portion of the public that has a legitimate reason for being on the AIRPORT property.

B. The PARTIES have jointly developed a plan for the prompt and efficient removal of snow and ice from the airfield, attached as **Exhibit 2** (the "SNOW REMOVAL PLAN"). The PARTIES shall meet to review the SNOW REMOVAL PLAN not later than October 1 of each year and discuss in good faith whether revisions are necessary to ensure the safe, efficient, and cost-effective removal of snow from the airfield. The CITY shall make any and all reasonable efforts to remove snow and ice from the airfield in accordance with the SNOW REMOVAL PLAN. Notwithstanding the foregoing, LESSEE shall provide for the removal of snow from ~~its~~the PREMISES, including stairs, walkways, ledges, roads, aircraft ramps, and customer parking areas. LESSEE shall not place snow from ~~its~~the PREMISES on any other area of the AIRPORT without prior written authorization from the ~~Airport Manager~~AIRPORT MANAGER.

C. In the event that LESSEE fails to keep and maintain the PREMISES and improvements in good condition and repair, reasonable wear and use excepted, for a period of thirty (30) days after written notice from the CITY to do so, the CITY, upon the expiration of such thirty (30) day period, may, but shall not be obligated to, enter upon the PREMISES and perform the obligation of LESSEE, and charge LESSEE the cost and expense thereof, and LESSEE agrees to pay the CITY such charge in addition to any other amounts payable by LESSEE; provided, however, that if LESSEE's failure to perform any such obligation adversely affects or endangers the health or safety of the public or of employees of CITY in the reasonable judgment of the CITY, and if the CITY so states in its notice to LESSEE, the CITY may, but shall not be obligated to, perform such obligation of LESSEE at any time after the giving of such notice and without awaiting the expiration of the thirty (30) day period, and charge to LESSEE, and LESSEE shall pay, the reasonable cost and expense plus reasonable administrative costs of such performance. The CITY shall not be liable to LESSEE for any loss whatsoever resulting from such performance.

XVI. ~~XVII.~~ UTILITIES AND SERVICES

A. LESSEE agrees to provide for its own connections with utilities and to make separate agreements with the agencies responsible for these utilities. LESSEE shall pay for all utility service supplied to the ~~said~~ PREMISES~~,~~ and, if required by the utility agencies as a condition of continued said services, LESSEE shall install and pay for standard metering devices for the measurement of such services. LESSEE shall be solely responsible for all utility charges, including without limitation natural gas, electricity, sewer, and water used, on the PREMISES during the TERM ~~of this AGREEMENT~~.

B. LESSEE agrees that the CITY shall have the right, without cost or compensation to LESSEE, to install and maintain in, on, or across the PREMISES sewer, water, gas, electric and telephone lines, electric substations, or other installations necessary to the operation of the AIRPORT, or to service other tenants of the CITY; provided the CITY shall carry out such work and locate above-ground structures in a manner so as not to unreasonably interfere with LESSEE's use of the PREMISES.

XVII. ~~XVIII.~~ PERMITS, LICENSES AND CERTIFICATES

LESSEE shall obtain any and all permits, licenses, and certificates which may be required in connection with the improvement and use of the PREMISES and its operations thereon. LESSEE shall comply with all applicable federal, state and local laws and regulations and ~~the~~ LESSEE shall keep in effect any and all required licenses, permits, notices and certificates.

XVIII. ~~XIX.~~ AMENDMENTS TO MINIMUM STANDARDS

From the EFFECTIVE DATE until the ~~LGA-FBO RFP ISSUE DATE (~~TRIGGERDATE (defined below), the Heber City Airport Minimum Standards existing as of the EFFECTIVE DATE (the "MINIMUM STANDARDS") ~~existing as of the EFFECTIVE DATE~~ shall not be amended or changed except by mutual consent between the CITY and LESSEE or when deemed reasonable and necessary by the ~~City Council~~CITY COUNCIL for safety reasons or in order to comply with State and Federal rules and regulations or in order to assure reasonable and competent service at ~~said airport~~the AIRPORT.

The PARTIES agree that the CITY has obtained conditional approval of the ~~ALP~~Airport Layout Plan. Accordingly, ~~upon the City's amendment of the Minimum Standards as outlined in~~if the CITY (i) amends the MINIMUM STANDARDS in compliance with the provisions of Section 7 of the SETTLEMENT AGREEMENT and ~~issuance of~~(ii) issues a Request for Proposals in ~~accordance~~compliance with Section IV.G or IV.H of the PREDEVELOPMENT AGREEMENT (~~together, the "LGA-FBO RFP ISSUE~~the date upon which the later of (i) and (ii) has been satisfied, the "TRIGGER DATE"), then, subject to Section ~~XXVIII~~XXVI below, LESSEE shall be entitled to continue to conduct its operations for the remainder of the TERM in accordance with the MINIMUM STANDARDS in effect on the EFFECTIVE DATE; provided, however, that LESSEE shall not be required to maintain facilities or equipment in excess of the MINIMUM STANDARDS as they may be amended after the EFFECTIVE DATE, in the event such amendment reduces any applicable MINIMUM STANDARDS. If LESSEE exercises its option for ~~an~~the EXTENDED TERM, ~~LESSEE'S~~LESSEE's operations shall comply with the MINIMUM STANDARDS then in effect at the beginning of the EXTENDED TERM.

Subject to the clarifications set forth above, all provisions of the MINIMUM STANDARDS are hereby incorporated by reference as if set forth at length herein.

XIX. ~~XX.~~ QUIET ENJOYMENT

The CITY agrees that, on payment of the rentals, fees, and charges as herein provided and performance of the covenants and agreements on the part of ~~the~~ LESSEE to be performed hereunder, LESSEE shall peaceably have and enjoy the PREMISES and all the rights and privileges of the AIRPORT, its appurtenances, and facilities granted herein. LESSEE agrees that

temporary inconveniences, including but not limited to noise, disturbances, traffic detours, and the like resulting from, caused by, arising out of, or associated with the ~~CITY'S~~CITY's construction, maintenance, or repair of the AIRPORT, including but not limited to improvements thereon, or associated with special events that the CITY or others may from time to time host on the AIRPORT, shall not constitute a breach of this ~~section~~Section XIX. The CITY shall provide LESSEE with reasonable prior notice of any planned temporary inconveniences or special events and shall take reasonable steps to mitigate the impact of such inconveniences so that they do not unreasonably interfere with ~~LESSEE'S~~LESSEE's operation of its business.

XX. ~~XXI.~~ DISPUTE RESOLUTION

Any dispute arising out of, relating to, or in connection with this AGREEMENT, including any question regarding an alleged EVENT OF DEFAULT (as defined below), ~~the~~this AGREEMENT's existence, validity or termination, shall be resolved as set forth in the Dispute Resolution Protocol attached as **Exhibit 3** ("DISPUTE RESOLUTION PROTOCOL"). In the event of litigation commenced in accordance with the ~~Dispute Resolution Protocol~~DISPUTE RESOLUTION PROTOCOL, the prevailing PARTY (as determined by a final judgment) shall be entitled to recover its reasonable attorney's fees, expert-witness costs, and court costs.

XXI. ~~XXII.~~ DEFAULT AND REMEDIES

A. DEFAULT. The occurrence of any of the following, in addition to those specified elsewhere in this AGREEMENT, shall constitute a material breach of this AGREEMENT by LESSEE and an "EVENT OF DEFAULT":

1. LESSEE's failure to pay BASE RENT or FUEL FLOWAGE FEES within ten (10) business days of the due date thereof;

2. LESSEE's failure to perform or observe any of LESSEE's obligations under this AGREEMENT (including those obligations set forth in this ~~SECTION~~Section XXI including the obligations in Section XXI (A)(1)) that are left uncured for a period of thirty (30) business days after LESSEE receives written notice from the CITY setting forth the failure in question and an opportunity to cure (or, if cure of such failure cannot reasonably be accomplished in the thirty (30) day period, LESSEE's failure to commence ~~cure~~curing in such period and ~~diligent~~diligently prosecute the same to completion);

3. LESSEE's material default on the covenants and obligations set forth in any other written agreement between the CITY and LESSEE concerning the use or lease of the AIRPORT property, as determined by a court of competent jurisdiction's final, non-appealable judgment, after first being provided all applicable notice and cure periods and participating in the agreed upon dispute resolution procedures, if any, thereunder;

4. LESSEE's dissolution or cessation of continuous business operations;

5. LESSEE's abandonment of the PREMISES;

6. ~~LESSEE's~~LESSEE becoming insolvent, taking advantage of any insolvency law or bankruptcy protection, making ~~of~~ a general assignment for the benefit of creditors, or ~~consent~~consenting to liquidation of all or substantially all of its assets;

7. LESSEE's failure to maintain as current LESSEE's corporate charter;

8. The assessment of a tax lien upon the PREMISES for unpaid taxes that is not resolved, or for which LESSEE has failed to take affirmative steps to challenge or resolve, within sixty (60) days of LESSEE receiving notice of such lien;

9. ~~The~~LESSEE filing ~~by LESSEE of~~ a voluntary petition in bankruptcy;

10. The institution of proceedings in bankruptcy against LESSEE and the adjudication of LESSEE as bankrupt pursuant to such proceedings if such adjudication is not vacated or stayed during the sixty (60) day period following such adjudication;

11. The taking by a court of LESSEE and its assets pursuant to proceedings brought under the provisions of any state or federal reorganization act if the judgment of the court is not vacated or stayed during the sixty (60) day period following such judgment;

12. The appointment of a receiver of LESSEE's assets if such appointment by a court is not vacated or stayed during the sixty (60) day period following such appointment;

13. LESSEE's assignment, sublease, or other conveyance of an interest in this AGREEMENT in violation of ~~Article XXIV~~Section XXII.

B. REMEDIES. If an EVENT OF DEFAULT occurs, the CITY, in addition to any remedies available under applicable law, subject to the dispute resolution procedures specified in ~~Article XXII~~Section XX, may do any one or more of the following:

1. Whether or not this ~~Agreement~~AGREEMENT has been terminated, the CITY may re-enter and repossess the PREMISES and may either in its own name, as agent for LESSEE if this AGREEMENT has not been terminated, or for its own behalf if this AGREEMENT has been terminated, relet all or any part of the PREMISES; provided that the CITY shall not be required to accept any tenant proposed by LESSEE, or observe any instruction given by LESSEE about such reletting. No such re-entry or taking possession of the PREMISES shall be construed as an election on the CITY's part to terminate this AGREEMENT unless written notice of such election by the CITY is given to LESSEE. Notwithstanding any such reletting without termination, the CITY may at any time thereafter elect to terminate this AGREEMENT for any previous breach or default for which the remedies outlined in this Section apply.

2. The CITY may from time to time, without terminating this AGREEMENT, enforce all of its rights and remedies under this AGREEMENT.

C. MITIGATION OF DAMAGES

. Following any EVENT OF DEFAULT by LESSEE, the CITY shall use commercially reasonable efforts to mitigate its damages. The CITY's obligation to mitigate damages after an

EVENT OF DEFAULT by LESSEE under this AGREEMENT that results in the CITY regaining possession of all or part of the PREMISES shall be satisfied in full if the CITY undertakes to lease the PREMISES to another ~~grantee~~lessee (~~a~~ "SUBSTITUTE ~~GRANTEE~~LESSEE") in accordance with the following criteria:

1. The CITY shall have no obligation to solicit or entertain negotiations with any prospective SUBSTITUTE ~~GRANTEE~~LESSEE until the CITY obtains full and complete possession of the PREMISES including, without limitation, the final and unappealable legal right to re-let the PREMISES free of any claim of LESSEE;

2. The CITY shall not be obligated to lease the PREMISES to a SUBSTITUTE GRANTEE for a rental less than the ~~CITY~~CITY's fair market rent then prevailing for similar space on the AIRPORT;

3. The CITY shall not be obligated to enter into a new lease under terms and conditions that are unacceptable to the CITY under the CITY's then-current leasing policies for comparable space on the AIRPORT, or incompatible with the ~~MASTER PLAN~~Airport Master Plan, MINIMUM STANDARDS, RULES AND REGULATIONS, or GRANT ASSURANCES (defined in Section XXVI); and

4. The CITY shall not be obligated to enter into a lease with any proposed SUBSTITUTE GRANTEE that does not have sufficient financial resources to maintain the PREMISES and operations in a first-class manner and pay all rents payable pursuant to this AGREEMENT.

XXII. ~~XXIII.~~ SUBLEASES AND ASSIGNMENTS

~~A.~~ LESSEE shall not assign ~~[~~or sublet~~]~~ this AGREEMENT, nor may it transfer the management and operation of the PREMISES, without the prior written consent of the CITY, such consent not to be unreasonably withheld, conditioned, or delayed. However, LESSEE shall be permitted without the consent of the ~~City~~CITY to sublease hangar and office space located on the PREMISES, provided that such sublease shall not grant the sublessee any rights to provide any commercial aeronautical services at the ~~Airport~~AIRPORT unless the sublessee first obtains approval from the ~~City~~CITY under the MINIMUM STANDARDS to do so. The ~~City~~CITY agrees in advance that it cannot reasonably withhold consent to an assignment if the following conditions are met: (i) LESSEE is not in default of its obligations under this ~~Agreement~~AGREEMENT; (ii) the proposed assignee has the financial capability to comply with the terms and conditions of this ~~Agreement~~AGREEMENT and the experience and professional staff capable of operating the facilities and providing the ~~Services~~services according to the terms and conditions of this AGREEMENT and the MINIMUM STANDARDS; (iii) the proposed assignee would assume all of LESSEE's obligations under this AGREEMENT, without condition or qualification; and (iv) the proposed assignment would not violate any obligation of the ~~City~~CITY, including without limitation ~~the~~ GRANT ASSURANCES. The ~~City~~CITY has the option, in its sole discretion, to charge to LESSEE for reasonable administrative costs actually incurred when reviewing and processing any requests for assignment or transfer pursuant to this Section XXII, however, no other assignment or transfer fee shall be charged by the ~~City~~CITY with respect to any assignment of this AGREEMENT.

XXIII. ~~XXIV.~~ RIGHT OF ENTRY AND INSPECTION

The CITY may enter upon the PREMISES now or hereafter leased exclusively to LESSEE at any reasonable time for any purpose necessary, incidental to or connected with the performance of its obligations under this AGREEMENT, in the exercise of its governmental functions, or in the event of any emergency. Except in the case of the CITY's governmental functions, or an emergency, the CITY shall give LESSEE reasonable advanced notice prior to the CITY's entry into LESSEE's buildings and improvements.

XXIV. ~~XXV.~~ FORCE MAJURE / DESTRUCTION OF PREMISES

~~A.~~ Neither PARTY shall be in violation of this AGREEMENT by reason of failure to perform any of its obligations by reason of strikes, boycotts, labor disputes, embargoes, unforeseen shortages of materials, acts of God, acts of public enemy, substantial non-temporary flight restrictions, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible and which are not within its control. Upon the cessation or removal of the act or condition giving rise to the excuse of any obligation under this AGREEMENT, the PARTY so excused from its obligation shall perform as required under this AGREEMENT. Notwithstanding the foregoing, LESSEE shall not be relieved of paying any rents, fees, or other charges. The PARTY claiming force majeure shall notify the other PARTY in writing within five (5) business days following any event or occurrence causing the delay and extent of the delay which may be incurred. Failure to timely so notify shall bar such PARTY from asserting any claim for that delay.

XXV. ~~XXVI.~~ NOTICES

All fees payable and notice given under this AGREEMENT to the CITY shall be delivered to the Heber City Airport Manager, c/o the Heber City Treasurer, 75 North Main Street, Heber City, Utah 84032, or such other place as the CITY shall specify in writing.

All notices given under this AGREEMENT to LESSEE shall be sent to:

Name: _____

Address: _____

City/State/Zip: _____

XXVI. ~~XXVII.~~ SUBORDINATION

This ~~Agreement~~AGREEMENT shall be subordinate to the provisions of any existing or future agreements between the CITY and the United States of America, relative to the operation and maintenance of the AIRPORT, the terms and execution of which have been or may be required as a condition precedent to the expenditure or reimbursement to the CITY of federal funds for the development of the AIRPORT ("GRANT ASSURANCES"). ~~LESSSEE~~LESSEE acknowledges that it has had an opportunity to review the material terms of this AGREEMENT with the FAA and neither ~~party~~PARTY is aware of any FAA objection. Notwithstanding the foregoing sentence, however, in the event the U.S. Department of Transportation ("USDOT"), the ~~Federal Aviation Administration~~FAA, or a court of competent jurisdiction makes a final appealable determination

that the ~~CITY'S~~CITY's ability to perform any obligations under this AGREEMENT would violate ~~the~~ GRANT ASSURANCES, the CITY shall be immediately excused from performing such obligation (subject to the limitations outlined below) and shall in good faith negotiate a lawful resolution to the mutual satisfaction of the PARTIES hereto; provided, however, that if the PARTIES are unable to resolve the conflict or violation within ninety (90) days, the CITY shall unilaterally amend this AGREEMENT in the least material manner necessary to comply with the decision of the Court or agency and the remaining provisions hereof will continue in full force and effect and will be construed as if the invalid provision had not been a part of this AGREEMENT (~~together~~ the "CARVE-OUT REMEDY"). Notwithstanding the foregoing, ~~Section XVIII.A. shall continue in full force and effect until modified in accordance with Section XVIII.B. and the Settlement Agreement, or otherwise agreed among LESSEE and CITY in writing~~the CARVE-OUT REMEDY shall not apply to the first paragraph of Section XVIII hereof. In the event LESSEE is successful in an appeal of a decision of the ~~U.S. Department of Transportation, the Federal Aviation Administration~~USDOT, the FAA, or a court of competent jurisdiction, any provision removed pursuant to this Section XXVI shall be reinstated consistent with the Court or agency's decision on appeal.

XXVII. ~~XXVIII.~~ FEDERAL CLAUSES

LESSEE acknowledges that the CITY is required by the FAA under ~~the terms of its~~ GRANT ASSURANCES to include in this AGREEMENT certain required contract provisions, included as **Exhibit 5** hereto ("FEDERAL CLAUSES"). LESSEE agrees to comply with the FEDERAL CLAUSES and, where applicable, include the FEDERAL CLAUSES in each of its subcontracts without limitation or alteration. In the event such FEDERAL CLAUSES are modified by the FAA or other federal agency with jurisdiction, and the CITY provides LESSEE with not less than thirty (30) days written notice of such modification, LESSEE agrees to comply with the modified FEDERAL CLAUSES without written amendment of this AGREEMENT. Unless prohibited by federal law, the CITY shall provide LESSEE with notice and a reasonable opportunity to cure before exercising any right of termination provided by the FEDERAL CLAUSES. LESSEE acknowledges that a failure to comply with the FEDERAL CLAUSES pursuant to this Section XXVII constitutes an EVENT OF DEFAULT.

XXVIII. ~~XXIX.~~ NO EXCLUSIVE RIGHTS

It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. 40103(e).

XXIX. ~~XXX.~~ NO WAIVER OF RIGHTS

No delay or omission in the exercise of any right or remedy of either PARTY on any default by either PARTY of its obligations under this AGREEMENT shall impair such a right or remedy or be construed as a waiver. Any waiver by either PARTY of any default on the part of the other must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this AGREEMENT.

XXX. ~~XXXI.~~ GOVERNING LAW

This AGREEMENT shall be construed in accordance with and governed by the laws of the State of Utah, notwithstanding any conflict-of-law principles.

XXXI. ~~XXXII.~~ TIME OF THE ESSENCE

Time is of the essence in the performance of all of each ~~PARTY'S~~PARTY's respective obligations under this AGREEMENT.

XXXII. ~~XXXIII.~~ AMENDMENTS

No amendment to this AGREEMENT shall be binding on the CITY or LESSEE unless reduced to writing and signed by both PARTIES.

XXXIII. ~~XXXIV.~~ SEVERABILITY

If any provision of this AGREEMENT is held to be illegal, invalid, or unenforceable in full or in part, for any reason, then such provision shall be modified to the minimum extent necessary to make the provision legal, valid, and enforceable, and the other provisions of this AGREEMENT shall not be affected thereby.

XXXIV. ~~XXXV.~~ MERGER

This AGREEMENT constitutes the final, complete, and exclusive agreement between the PARTIES on the matters contained in this AGREEMENT, but shall be read and interpreted in conjunction with the SETTLEMENT AGREEMENT and PREDEVELOPMENT AGREEMENT. All prior and contemporaneous negotiations and agreements between the PARTIES on the matters contained in this AGREEMENT are expressly merged into and superseded by this AGREEMENT. In entering into this AGREEMENT, neither the CITY nor LESSEE has relied on any statement, representation, warranty, nor agreement of the other except for those expressly contained in this AGREEMENT.

XXXV. ~~XXXVI.~~ HEADINGS

The headings used in this AGREEMENT, including but not limited to those headings used at the beginning of each numbered section herein, are solely for the convenience of the reader and shall not be construed as part of the agreement between the PARTIES.

XXXVI. ~~XXXVII.~~ RELATIONSHIP OF PARTIES

This AGREEMENT does not create any partnership, joint venture, employment, or agency relationship between the PARTIES. Nothing in this AGREEMENT shall confer upon any other person or entity any right, benefit, or remedy of any nature.

XXXVII. ~~XXXVIII.~~ ANNUAL MEETINGS

Not more than sixty (60) days after the end of each calendar year, LESSEE shall arrange to meet with the ~~City Council~~CITY COUNCIL, or with one or more representatives of the CITY designated by the ~~City Council~~CITY COUNCIL, to review in good faith the PARTIES' respective performance under this AGREEMENT and to discuss any operational issues.

XXXVIII. ~~XXXIX.~~ AIRPORT ADVISORY BOARD PARTICIPATION

For as long as the AAB remains constituted, ~~LESSEE'S~~LESSEE's President/Chief Executive Officer shall be a voting member of the AAB; provided, however, that LESSEE may appoint a representative other than the Chief Executive Officer to serve as ~~the LESSEE'S~~LESSEE's representative on the AAB; provided further that appointment of a representative other than an officer of LESSEE shall require the ~~City Council's~~CITY COUNCIL's prior consent, not to be unreasonably withheld, conditioned, or delayed.

XXXIX. ~~XL.~~ AUDIT RIGHTS

LESSEE shall maintain accurate records of ~~fuel~~FUEL dispensed for a period of three (3) years from the date the record is made. On no more frequently than an annual basis and after providing not less than seven (7) days prior notice, the CITY shall have the right, at its sole expense, to have an independent auditor conduct an on-site inspection and audit of the books, records, and receipts that LESSEE maintains in the ordinary course of business relating to the amount of ~~fuel~~FUEL dispensed, and to verify ~~LESSEE'S fuel~~LESSEE's FUEL sales. While LESSEE will be required for the purpose of such audit to make information regarding ~~fuel~~FUEL flowage available, it will not be required to provide information regarding its ~~fuel~~FUEL costs, ~~fuel~~ pricing, profits, or profit margins. The auditor shall not be permitted to remove any of ~~LESSEE'S~~LESSEE's records or information from the ~~premises~~PREMISES. All financial or customer information obtained by the CITY or its auditors as the result of any ~~audit~~audits, inspections, or requests under this ~~paragraph~~Section XXXIX (including any summaries or work papers prepared by the auditor) shall be treated as proprietary and confidential, will be classified as a Protected Record within the meaning Utah Code 63G-2-305(33), and will not be provided to the public except as required by law and, to the extent such information is requested to be disclosed publicly, the CITY shall give LESSEE any legally available opportunity to object to such disclosure.

Signature Page Follows

IN WITNESS WHEREOF, the ~~parties~~PARTIES hereto have caused these presents to be duly executed, with all the formalities required by law on the respective dates set forth opposite their signatures to be effective the day and year first above written.

HEBER CITY, a Municipal Corporation

APPROVED:

_____
Mayor

_____
Date

LESSEE:

By:_____
Title:

_____
Date

ATTEST:

_____
City Recorder

_____
Date

APPROVED AS TO FORM:

_____
City Attorney

_____
Date

Exhibit 1

Property Description

~~[TBD]~~

Exhibit 2

Snow Removal Plan

~~**[TBD]**~~

Exhibit 3

Dispute Resolution Protocol

A. NOTICE AND OPPORTUNITY TO CURE. Unless a shorter cure period or right to immediate termination is expressly provided in this AGREEMENT, no PARTY shall be considered in default of any provision of this AGREEMENT, or any covenant or obligation pertaining to the use or occupancy of the AIRPORT property, and no right of termination shall arise, unless and until the counter-PARTY has provided such PARTY with written notice of default and not less than thirty (30) days to cure such default or, if the default is not capable of cure within thirty (30) days, such PARTY has within thirty (30) days commenced, and thereafter diligently proceeds to complete, those actions reasonably necessary to cure such ~~PARTY'S~~PARTY's default.

B. INFORMAL DISPUTE RESOLUTION. The PARTIES agree that, at all times, they will attempt in good faith to resolve all disputes that may arise under this AGREEMENT. Upon receipt of written notice of a dispute from a PARTY, the PARTIES agree to refer the dispute to the City Manager, for the CITY, and the Chief Executive Officer, for LESSEE (collectively, the "DESIGNATED PERSONS"). The DESIGNATED PERSONS shall within fifteen (15) days of such written notice meet and negotiate in good faith to resolve the dispute, conferring thereafter as often as they deem reasonably necessary, and shall gather and in good faith furnish to each other any information pertinent to the dispute. All communications between the DESIGNATED PERSONS during the dispute resolution procedures set forth in this Paragraph shall be deemed confidential and treated as compromise and settlement negotiations and shall not be admissible in evidence by any proceeding without the mutual consent of the PARTIES.

C. MEDIATION. Mediation of a dispute arising under this AGREEMENT may not be commenced until the earlier of: (i) such time as both of the DESIGNATED PERSONS, after following the procedures set forth in Paragraph A and B hereof, conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely; or (ii) fifteen (15) days after the date of the notice referring the dispute to the DESIGNATED PERSONS. If, after such time period, the dispute remains unresolved, the PARTIES shall attempt to resolve the dispute through mediation administered by the American Arbitration Association ~~("AAA")~~ under its Commercial Mediation Procedures. The place of mediation shall be in Heber City, Utah, unless the ~~parties~~PARTIES agree otherwise. Mediation under this paragraph shall be a necessary prerequisite to any judicial action to enforce the terms and conditions of this AGREEMENT, unless waived in writing with the mutual consent of both PARTIES.

D. JURISDICTION, VENUE AND APPLICABLE LAW. With respect to an action to enforce the terms and conditions of this AGREEMENT only, the PARTIES consent to the exercise of jurisdiction of the Fourth Judicial District, Wasatch County, District Court and hereby agree that the venue of any action with respect to the enforcement of the terms and conditions of this AGREEMENT shall be properly placed before this same court. This AGREEMENT shall be interpreted under the laws of the State of Utah.

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E. Emergency Relief. No PARTY shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and is not otherwise available under this AGREEMENT.

F. Tolling. If a PARTY receiving a notice of default under this AGREEMENT contests, disputes or challenges the propriety of such notice by making application to the dispute resolution procedure in this **Exhibit 3**, any cure period that applies to such default shall be tolled for the time period between such application and the issuance of a final award.

G. FAA Disputes. The PARTIES understand and acknowledge the FAA's exclusive jurisdiction to determine the ~~CITY'S~~CITY's compliance with ~~its federal Grant Assurance obligations~~GRANT ASSURANCES (a "COMPLIANCE DISPUTE"), and that any remedies which may be imposed by the FAA for noncompliance therewith are exclusive. Accordingly, in the event of a COMPLIANCE DISPUTE, and after exhausting the procedures described in Paragraphs A and B hereof, either PARTY may initiate an informal or formal complaint proceeding with the FAA in accordance with 14 C.F.R. Parts 13 and 16 or similar succeeding provisions, without regard to the other provisions hereof.

Exhibit 4

Airport	Sponsor	Fuel	2025	2020	% Change
PVU	Provo City	Jet	$0.08	$0.08	
SPK	Spanish Fork City	Jet	$0.08	$0.05	
U42	SLCDA	Jet	$0.06	$0.06	
SLC	SLCDA	Jet	$0.06	$0.06	
TVY	SLCDA	Jet	$0.06	$0.06	
U14	Nephi City	Jet	$0.25	$0.00	
	AVERAGE		**$0.10**	**$0.05**	**90.3%**
HCR	*Heber City*	*Jet*	*$0.10*[1]	*$0.05*	

Airport	Sponsor	Fuel	2025	2020	% Change
PVU	Provo City	Avgas	$0.08	$0.08	
SPK	Spanish Fork City	Avgas	$0.08	$0.05	
U42	SLCDA	Avgas	$0.06	$0.06	
SLC	SLCDA	Avgas	$0.06	$0.06	
TVY	SLCDA	Avgas	$0.06	$0.06	
U14	Nephi City	Avgas	$0.10	$0.00	
	AVERAGE		**$0.07**	**$0.05**	**41.9%**
HCR	*Heber City*	*Jet*	*$0.07*	*$0.05*	

[1] ~~Pursuant~~There is a dispute between the parties regarding the amount of comparable fuel flowage fees charged by Nephi City in 2025. To resolve that disagreement, the parties have agreed to include the amounts referenced in this Exhibit 4 with the understanding that (1) pursuant to Section ~~X.C~~X.C, the Parties have agreed to establish the FUEL FLOWAGE FEE for Jet-A at eight cents ($0.08) per gallon notwithstanding the indicated average percentage change and (2) the parties have agreed that the fees included for Nephi shall be treated as the fees actually charged by Nephi in 2025 when determining regional trends moving forward.

Exhibit 5

FAA Required Contract Clauses

A. Compliance with Nondiscrimination Provisions. During the performance of this AGREEMENT, the LESSEE, for itself, its assignees, and successors in interest (hereinafter for the purposes of this Exhibit collectively referred to as "LESSEE") agrees as follows:

1. **Compliance with Regulations**: LESSEE will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this AGREEMENT.

2. **Non-discrimination**: LESSEE, with regard to the work performed by it during the term of this AGREEMENT, will not discriminate on the grounds of race, color, or national origin, creed, sex, age, or disability in the selection and retention of contractors, including procurements of materials and leases of equipment. LESSEE will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR Part 21, including amendments thereto.

3. **Solicitations for Agreements, Including Procurements of Materials and Equipment**: In all solicitations, either by competitive bidding, or negotiation made by LESSEE for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential contractor or supplier will be notified by the LESSEE of LESSEE's obligations under this AGREEMENT and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.

4. **Information and Reports**: LESSEE will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the CITY or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of LESSEE is in the exclusive possession of another who fails or refuses to furnish the information, LESSEE will so certify to the CITY or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance**: In the event of the LESSEE's noncompliance with the Non-discrimination provisions of this contract, the CITY will impose such sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to withholding payments to LESSEE under the AGREEMENT until LESSEE complies, and/or cancelling, terminating, or suspending the AGREEMENT, in whole or in part.

6. **Incorporation of Provisions**: LESSEE will include the provisions of Paragraphs 1 through 6 of this **Exhibit I, Section A** in every contract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. LESSEE will take action with respect to any contract or procurement as the CITY or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if LESSEE becomes involved in, or is threatened with litigation by a contractor, or supplier because of such direction, LESSEE may request the CITY to enter into any litigation to protect the interests of the CITY. In addition, LESSEE may request the United States to enter into the litigation to protect the interests of the United States.

B. Real Property Acquired or Improved Under the Airport Improvement Program. LESSEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the property described in this AGREEMENT for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, LESSEE will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Pertinent List of Nondiscrimination Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

C. Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program. LESSEE for itself, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that LESSEE will furnish its services in compliance with all other requirements imposed by or pursuant to the List of Nondiscrimination Acts And Authorities.

i. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), (prohibits discrimination on the basis of race, color, national origin);

ii. 49 CFR Part 21 (Non-discrimination In Federally-Assisted Programs of The Department of Transportation—Effectuation of Title VI of The Civil Rights Act of 1964) including amendments thereto;

iii. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose

property has been acquired because of Federal or Federal-aid programs and projects);

iv. Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CFR Part 27;

v. The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), (prohibits discrimination on the basis of age);

vi. Airport and Airway Improvement Act of 1982, (49 USC § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);

vii. The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

viii. Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38; and

ix. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

D. General Civil Rights Provision. In all its activities within the scope of its airport program, LESSEE agrees to comply with pertinent statutes, Executive Orders and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin, creed, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If LESSEE transfers its obligation to another, the transferee is obligated in the same manner as LESSEE. The above provision obligates LESSEE for the period during which the property is owned, used, or possessed by LESSEE and the CITY remains obligated to the Federal Aviation Administration.

E. Right of Re-Entry. In the event of breach of any of the above Nondiscrimination covenants, the CITY will have the right to terminate the AGREEMENT and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the AGREEMENT had never been made or issued.

F. Subcontracts. LESSEE agrees that it shall insert the above six (6) provisions (Section A through Section E) in any agreement by which LESSEE grants a right or privilege to any person, firm, or corporation to render accommodations and/or services to the public under this AGREEMENT.

Summary report: Litera Compare for Word 11.9.1.1 Document comparison done on 6/8/2026 9:21:14 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://cloudimanage.com/IMANAGEDB/2074629/8	
Modified DMS: iw://cloudimanage.com/IMANAGEDB/2074629/14	
Changes:	
Add	310
~~Delete~~	226
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	536

Outlook

FW: (EXTERNAL) FW: OK3 AIR Lease- Fuel Flowage Fees

From Matt Brower <mbrower@Heberut.gov>
Date Thu 6/11/2026 5:34 PM
To Andrew Conley <aconley@heberut.gov>

Upload as an attachment to the FBO Lease agenda item.

Matt Brower
City Manager

Heber City
75 N Main Street, Heber City, UT 84032
Phone: 435-657-7885
Email: mbrower@Heberut.gov

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From: Steven L. Osit <sosit@kaplankirsch.com>
Sent: Tuesday, June 9, 2026 4:29 PM
To: Matt Brower <mbrower@Heberut.gov>
Cc: Jeremy Cook <jcook@ck.law>; Mark Smedley <msmedley@Heberut.gov>
Subject: (EXTERNAL) FW: OK3 AIR Lease- Fuel Flowage Fees

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Steven L. Osit
Attorney at Law
He/Him/His

KAPLAN KIRSCH

O 303.825.7000 | D 303.389.4543 | C 917.709.3511 | F 303.825.7005
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From: Craig Hoggan <Craig@hlhparkcity.com>
Sent: Tuesday, June 9, 2026 4:27 PM
To: Steven L. Osit <sosit@kaplankirsch.com>
Subject: OK3 AIR Lease- Fuel Flowage Fees

Steve,

To follow up on our previous conversations on this topic, I'm writing to confirm that upon execution of the Lease Agreement, OK3 AIR is still willing to pay the revised fuel flowage retroactive from January 1, 2026.

Please let me know if you have any questions.

Thanks,
Craig

HLH
HOGGAN LEE HUTCHINSON

Craig A. Hoggan

Direct: **435-731-9193**

1225 Deer Valley Drive Suite 201
Park City, UT 84060

HEBER CITY BUDGET AMENDMENT REQUEST FORM

Date of Request:

6/16/26

Department:

Heber City CRA

Requested By:

Sara Nagel

1. Amendment Summary

Project Title/ O&M Category:

Wave Building Purchase

GL Account:

44.4050

Original Budget Allocation:

$ 0.00

Amount of Requested Amendment:

$ 2,161,000.00

Reason for Amendment:
(Briefly describe the reason for the amendment, the change in circumstances, or new information that has prompted this request.)

Budget amendment requested for the Council approved purchase of the Wave building.

2. Financial Impact

Funding Source(s):
(Check all that apply)

- ☐ General Fund Surplus
- ☐ Additional Revenue
- ☐ Grants
- ☐ Capitol Projects Fund
- ☐ Special Revenue Fund
- ☒ Other:

Affordable Housing Developer Contributions

Justification for Funding Source(s):

Unrestricted affordable housing developer contributions intended for the purchase of the Wave property.

Will this amendment affect future budgets?

- ☐ Yes
- ☒ No

If yes, Please explain:

3. Project Impact

Is this amendment essential for the continued operation of the project or services?

- ☐ Yes
- ☐ No
- ☒ N/A

How will this amendment impact service delivery or project outcomes?
(Provide details on how the requested amendment will affect services or the community, including benefits or challenges.)

Budget increase will ensure budget is in compliance with State code.

EXHIBIT "A"

CRA FUND (44)

Request: Wave Building Purchase

Source:

Account Number	Account Name	Amount
44.3850	Developer Contributions	$ 2,161,000.00
	Total	$ 2,161,000.00

Use:

Account Number	Account Name	Amount
44.4050	Land Purchases	$ 2,161,000.00
	Total	$ 2,161,000.00

Fund Balance Review for FY 2025: Final Budget Amendment
(Based on Budgeted Amounts)

	FY 2026 Beginning Fund Balance	Total Budgeted Revenue	Revenue Adjustments	Total Budgeted Expenses	Proposed Amendment	FY 2026 Estimated Ending Fund Balance
CRA (44)	$ 38,877	$ 120,750	$ 2,161,000	$ 40,000	$ 2,161,000	$ 119,627

HEBER CITY, UTAH
RESOLUTION NO. 2026-16

A RESOLUTION APPROVING THE FINAL AMENDMENT TO THE HEBER CITY COMMUNITY REDEVELOPMENT AGENCY BUDGET FOR THE FISCAL YEAR ENDING JUNE 30, 2026 (FY 2026).

WHEREAS, the Utah Uniform Fiscal Procedures Act provides for the legislative body to review and amend individual budgets of funds during the budget period as necessary to address changing circumstances (UCA § 10-6-127); and

WHEREAS, the Financial Director of Heber City has determined that amendments to the FY 2026 Community Redevelopment Agency (CRA) budget are necessary to address operational needs and priorities, as detailed in the attached CRA Exhibit "A"; and

WHEREAS, in compliance with state law (UCA § 10-6-113), the City provided proper public notice and held a Public Hearing on Tuesday, June 16, 2026, to solicit feedback from residents regarding the proposed amendments to the FY 2026 CRA budget;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Heber City, Utah, that:

The Heber City CRA Budget for the fiscal year ending June 30, 2026, is hereby amended as outlined in the attached CRA Exhibit "A," which is incorporated by reference and made an integral part of this Resolution.

ADOPTED AND PASSED by the Board of the Heber City CRA, Utah, on this _____ day of _____, 2026, by the following vote:

	AYE	NAY
Council Member Yvonne Barney	_____	_____
Council Member Aaron Cheatwood	_____	_____
Council Member Mike Johnston	_____	_____
Council Member Morgan Murdock	_____	_____
Council Member Sid Ostergaard	_____	_____

APPROVED:

_____
Mayor Heidi Franco

ATTEST:

_____ Date: _____
RECORDER

HEBER CITY COUNCIL
PUBLIC HEARING NOTICE
FISCAL YEAR 2026 CRA BUDGET AMENDMENT

Notice is hereby given that the Heber City Community Reinvestment Agency will hold a public hearing on Tuesday, June 16, 2026, at 6:00 p.m. in the Heber City Administrative Office Building Council Chambers located at 75 North Main Street, Heber City, Utah. The purpose of the hearing is to receive public input regarding amendments to the 2025-2026 Fiscal Year CRA Budget. Public comment is welcome and may be delivered in person or virtually via the link found on the City's website https://hebercityut.portal.civicclerk.com/. Text of proposed budget amendment can be viewed by contacting the Heber City Finance Manager's Office at 435-657-7956.

Andrew Conley
Heber City Deputy Recorder

Posted in the Heber City Municipal Building located at 75 North Main, on the Heber City Website at www.heberut.gov, and on the Utah Public Notice Website at http://pmn.utah.gov. Distributed via text message and social media services.

Heber City Council Staff Report

MEETING DATE:	6/16/2026
SUBJECT:	Public Hearing for the FY 2027 Heber City Community Redevopment Agency Budget
RESPONSIBLE:	Sara Nagel
DEPARTMENT:	Finance
STRATEGIC RELEVANCE:	Communication and Transparency

SUMMARY

On June 2, 2026, City Council held a public hearing for the proposed FY 2027 City-wide Budget. This budget included the FY 2027 Heber City Community Redevelopment Agency (CRA) budget. However, the notice for the public hearing did not explicitly state that the public hearing would include the CRA. To ensure the City is compliant with State Code, the City is holding a separate public hearing for the Heber City CRA.

RECOMMENDATION

Staff recommends that the Council, acting as the Heber City CRA Board, hold a public hearing to allow the public to be heard, for or against, the estimates of revenue and expenditures or any item thereof in the tentative budget of the FY 2027 Heber City CRA Budget.

BACKGROUND

- May 5, 2026, the Council tentatively adopted the FY 2027 city-wide tentative budget, including the CRA.
- May 8, 2026, the Council held the second of two budget workshops to discuss the FY2027 budget. During the workshop, the Council agreed to continue with the Heber City CRA, under the current interlocal agreements.
- June 2, 2026, the Council held a public hearing for the FY 2027 budget.
- June 16, 2026, Council will hold a public hearing the FY 2027 Heber City CRA budget.
- During the period between the adoption of the tentative budget on May 5 and the public hearing on June 16, Staff updated the budget with newly revised revenue and expenditure estimates and Council recommendations. The final Heber City CRA budget will be adopted in August 2026 in conjunction with the city-wide budget.

DISCUSSION

Staff has updated the budgeted CRA Property Tax revenue from $100,000 to $370,000 to reflect the updated revenue estimate provided by Wasatch County. No other changes were made to the budget.

FISCAL IMPACT

Fiscal impact can be reviewed at: https://city-heber-ut-cleardoc.cleargov.com/22558/868866/d. Changes incorporated into the tentative budget can be reviewed in the attached FY 2027 Heber City CRA Budget.

CONCLUSION

The public hearing provides an opportunity for residents and stakeholders to comment on Heber City's CRA Proposed FY 2027 Budget.

ALTERNATIVES

1. Approve as proposed
2. Approve as amended
3. Continue
4. Deny

POTENTIAL MOTIONS

Alternative 1 - Approval - Staff Recommended Option

I move to **approve** the item as presented, with the findings and conditions as presented in the conclusion above.

Alternative 2 - Approve as Amended

I move to **approve** the item as amended, as follows.

Alternative 3 - Continue
I move to **continue** the item to another meeting on [DATE], with direction to the applicant and/or Staff on information and / or changes needed to render a decision, as follows:
Alternative 4 - Denial
I move to **deny** the item with the following findings.

ACCOUNTABILITY

Department: Finance
Staff member: Sara Nagel, Finance Manager

EXHIBITS

1. FY 2027 Heber City CRA Budget
2. 6.16.2026 FY 2027 CRA Budget Discussion Public Notice

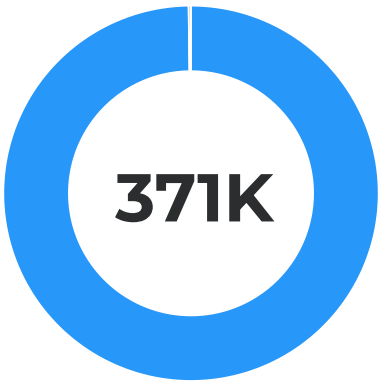
CRA Fund (44)

Comprehensive Fund Summary

Category	FY 2025 Actuals	FY2026 Budgeted	FY 2026 Projected	FY 2027 Budgeted
Beginning Fund Balance	-	$38,877	$38,877	$313,127
Revenues				
Total Revenues	$877,793	$120,750	$2,555,750	$370,750
Expenditures				
Total Expenditures	$886,067	$40,000	$2,281,500	$40,000
Total Revenues Less Expenditures	-$8,274	$80,750	$274,250	$330,750
Ending Fund Balance	-$8,274	$119,627	$313,127	$643,877

Revenues by Revenue Source

FY27 Revenues by Revenue Source



Property Taxes	$370,000	99.80%
Interest	$750	0.20%

Revenues by Revenue Source

Category	FY 2025 Actuals	FY2026 Budgeted	FY 2026 Projected	FY 2027 Budgeted	FY2026 Budgeted vs. FY 2027 Budgeted (% Change)
Property Taxes	-	$100,000	$335,000	$370,000	270.00%
Intergovernmental	-	$20,000	$20,000	-	-100.00%
Interest	$1,793	$750	$750	$750	-
Allocated Operational Costs & Contributions from Surplus	$876,000	-	$2,200,000	-	-
Total Revenues	**$877,793**	**$120,750**	**$2,555,750**	**$370,750**	**207.04%**

Expenditures by Object

Expenditures by Object

Category	FY 2025 Actuals	FY2026 Budgeted	FY 2026 Projected	FY 2027 Budgeted	FY2026 Budgeted vs. FY 2027 Budgeted (% Change)
Professional Services	$10,067	$40,000	$120,500	$40,000	-
Building	$876,000	-	-	-	-
Land Purchases	-	-	$2,161,000	-	-
Total Expenditures	**$886,067**	**$40,000**	**$2,281,500**	**$40,000**	**-**

HEBER CITY COMMUNITY REINVESTMENT AGENCY
PUBLIC HEARING NOTICE
FISCAL YEAR 2027 BUDGET DISCUSSION

NOTICE IS HEREBY GIVEN, pursuant to the provisions of Utah Code ANN. § 17C-1-806, that the Heber City Community Reinvestment Agency (the 'Agency') will hold a public hearing regarding the adoption of the Fiscal Year 2027 Annual Operating Budget. The public hearing will be held June 16, 2026, at 6:00 p.m., or as soon thereafter as possible, in the Heber City Council Chambers located at 75 North Main Street, Heber City, Utah. Members of the public are invited to comment for or against the proposed budget and may do so in person or via the virtual meeting link found at https://www.heberut.gov/256/Agendas-and-Minutes. Public comment is welcome and may be delivered in person or virtually via the link found on the City's website https://hebercityut.portal.civicclerk.com/. Text of proposed budget can be viewed by contacting the Heber City Finance Manager's Office at 435-657-7956.

Andrew Conley
Heber City Deputy Recorder

Posted in the Heber City Municipal Building located at 75 North Main, on the Heber City Website at www.heberut.gov, and on the Utah Public Notice Website at http://pmn.utah.gov. Distributed via text message and social media services.