

GOVERNING DOCUMENT
FOR
PINE VIEW PUBLIC INFRASTRUCTURE DISTRICT NO. 3
TOQUERVILLE CITY, UTAH

Prepared
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LIST OF EXHIBITS

EXHIBIT A-1	Legal Description of the Initial Boundaries
EXHIBIT A-2	Legal Description of the Annexation Area
EXHIBIT B	Toquerville Vicinity Map
EXHIBIT C-1	Initial District Boundary Map
EXHIBIT C-2	Annexation Area Boundary Map
EXHIBIT D	Interlocal Agreement between the District and Toquerville City

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I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit 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, its activities are subject to review by the City only if they deviate in a material matter from the requirements of the Governing Document. It is intended that the District will levy taxes to finance part or all of the Public Improvements that will serve the anticipated inhabitants and taxpayers in the Project. The District may, at its option, pledge tax revenues to an interlocal entity that provides part or all of the Public Improvements. The primary purpose of the District will be to finance or help finance the construction of the Public Improvements. The District is not being created to provide any ongoing operations and maintenance services.

B. Need for the District.

There are currently no other governmental entities, including the City, 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 District 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 District's Governing Document.

The City's objective in approving the Governing Document for the District is to authorize the District 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 District or an entity to which the District has pledged tax revenues. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at 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 and, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

This Governing Document is intended to establish a limited purpose for the District and explicit financial constraints that are not to be violated under any circumstances. The primary purpose is to provide the Public Improvements associated with the Project and regional needs. Although the District has authority to directly provide the Public Improvements, the District also has authority to pledge tax revenues to an interlocal entity that provides the Public Improvements.

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

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

II. DEFINITIONS

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

Annexation Area Boundaries: means the boundaries of the area described in the Annexation Area Boundary Map which are approved by the City for annexation into the District upon the meeting of certain requirements stated in this Governing Document.

Annexation Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for annexation within the District.

Annexation Milestone: means the date that is five years from the date the District annexes at least .25 acres of real property in accordance with Section V.A.5(a) of the Governing Document.

Assessment: means assessments levied in an assessment area created within the District.

Board: means the board of trustees of the District.

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

City: means Toquerville City, Utah.

City Code: means the Toquerville City Code, Utah.

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

District: means the Pine View Public Infrastructure District No. 3.

Districts: means collectively, Pine View Public Infrastructure District Nos. 1–6.

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

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

Financial Plan: means the financial plan described in Section VIII.

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

Governing Document: means this Governing Document for the District 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: means the boundaries of the area shown in the Initial District Boundary Map and as particularly described in Exhibit A-1.

Initial District Boundary Map: means the map attached hereto as **Exhibit C-1**, describing the District's initial boundaries.

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

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

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

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

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

Project: means the development or property currently referred to as Pine View Toquerville Development Area, the boundaries of which are shown in Exhibit C-2.

PID Act: means Title 17B, Chapter 2a, Part 12 of the Utah Code, as amended from time to time.

Public Improvements: means a part or all of the public infrastructure that may be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed by the District as generally allowed in the Local District Act and the PID Act, to serve the future

taxpayers and inhabitants of the District or the Project as determined by the Board or an interlocal agency created by two or more of the Districts.

Regional Improvements: means Public Improvements and facilities that benefit the Project and which may be financed pursuant to Section VII below.

State: means the State of Utah.

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

Trustee: means a member of the Board.

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

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately one hundred (100) square feet, and the total annexable area included in the Annexation Area Boundaries is approximately 1,700 acres. A legal description of the Initial District Boundaries is attached as **Exhibit A-1**, and a legal description of the Annexation Area Boundaries is attached hereto as **Exhibit A-2**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries is attached hereto as **Exhibit C-1**, and a map of the Annexation Area Boundaries is attached hereto as **Exhibit C-2**. It is anticipated that the District's boundaries may change from time to time as it undergoes annexations and withdrawals pursuant to the PID Act, subject to Article V below.

IV. PROPOSED LAND USE AND ASSESSED VALUATION

The District Area consists of approximately one thousand seven hundred (1,700) acres of undeveloped land. The current assessed valuation of the property within the Initial District Boundaries is \$0.00 solely for purposes of this Governing Document, but after an annexation and at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan, or will be sufficient in combination with pledges from other districts within the Project to discharge the Debt.

Approval of this Governing Document by the City does not imply approval of the development of a specific area within the District, 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.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS, AND SERVICES

A. Powers of the District and Governing Document Amendment.

The District shall have the power and authority to provide the Public Improvements within and without the boundaries of the District as such power and authority is described in the Local District Act, the PID Act, and other applicable statutes, common law and the Constitution,

subject to any limitations set forth herein. The District may also reimburse or partially reimburse the developer of the Project for any amounts paid by the developer (or any of the developer entities) for the design and construction of the Toquerville Bypass Road or any other Public Improvements. The District shall further have all power and authority as a “public agency” under the Interlocal Cooperation Act to enter into any interlocal agreement and to create any interlocal entity that may exercise any powers that may be exercised by the District.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other appropriate public entity or owners association in a manner consistent with the applicable provisions of the City Code.

2. Construction Standards Limitation. The District will design and construct the Public Improvements in accordance with the standards and specifications of the City and of other governmental entities having proper jurisdiction. The District will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

3. Procurement. The District shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. Notwithstanding this requirement, the District may acquire completed or partially completed improvements for fair market value as reasonably determined by a surveyor or engineer that the District employs or engages to perform the necessary engineering services for and to supervise the construction or installation of the improvements. The District may also reimburse or partially reimburse the developer of the Project for any amounts paid by the developer (or any of the developer entities) for the design and construction of the Toquerville Bypass Road or any other Public Improvements.

4. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of a Municipal Advisor substantially as follows:

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

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

5. Annexation and Withdrawal.

(a) The District shall not include within any of its boundaries any property outside the District Area without the prior written consent of the City. The City, by resolution, has consented to the District’s annexation of any area within the Annexation Area

Boundaries into the District. The District may, by resolution, annex any property within the District Area if the District has the consent of all property owners and registered voters, if any, within the area to be annexed. Upon obtaining consent of all property owners and registered voters within the area to be annexed, such consents must be filed with the City, however, no action of the City shall be required in connection therewith. The District's annexation right under this Section V.A.5(a) may be irrevocably abandoned as to a specified part of the District Area by the following actions: (i) the District enacts a resolution that particularly identifies the area to which the abandonment applies; and (ii) the District records an instrument that identifies the area to which the abandonment applies.

(b) The City, by resolution, has consented to the withdrawal of any area within the District Area from the District. Such area may only be withdrawn upon the District obtaining consent of all property owners and registered voters, if any, within the area proposed to be withdrawn and the passage of a resolution of the Board approving such withdrawal.

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

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

(e) Annexation or withdrawal of any area in accordance with V.A.5(a) or (b) shall not constitute an amendment of this Governing Document.

6. Overlap Limitation. The District shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District. The District may annex an area that is a part of another public infrastructure district only if the aggregate mill levy for payment of Debt of the overlapping area would not exceed the Maximum Debt Mill Levy of the District.

7. Initial Debt Limitation. On or before the effective date of approval by the City of the Interlocal Agreement provided in Exhibit D, the District 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. The District shall, before issuing any Debt, submit a public infrastructure plan to the City that provides detail on the public infrastructure that is to be financed or reimbursed by the District, however no action of the City shall be required in connection with the public infrastructure plan. No Debt may be issued until the District has obtained consent to such Debt from the property owners and/or registered voters, as applicable, in accordance with the PID Act.

8. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of an aggregate amount of Two Hundred and Forty Million Dollars (\$240,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the District.

9. 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 17B-2a-1204(4), Utah Code. It is expressly intended that such limitations:

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

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

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

10. Governing Document Amendment Requirement.

(a) This Governing Document has been designed with sufficient flexibility to enable the District to provide required improvements and facilities under evolving circumstances without the need for amendments. Actions of the District which clearly violate the limitations set forth in V.A.1-9 above or in VIII.B-G. shall be deemed to be material violations of this Governing Document and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

(b) Subject to the limitations and exceptions contained herein, this Governing Document may be amended by passage of a resolutions of the City and the District approving such amendment.

B. Preliminary Engineering Survey.

The District 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. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed will be prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the District. Based on current projections under conceptual development plans for the Project, it is estimated that the total public infrastructure costs for the Project will be approximately \$100,000,000, subject to

change based on market conditions, fluctuating cost of labor and materials, design changes, and inflation.

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. 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. The Board shall be composed of three Trustees who shall be appointed by the City Council pursuant to the PID Act. Trustees 1, 2, and 3 shall be at large seats. Trustee terms shall be staggered with initial terms as follows: Trustees 1 and 2 shall serve an initial term of six years; Trustee 3 shall serve an initial term of 4 years. In accordance with the PID Act, appointed Trustees shall not be required to be residents of the District.

B. Transition to Elected Board. Seats on the District board will transition from appointed seats to elected seats in accordance with this Section. The registered voters of the District will elect a replacement for Trustee 3 at the earlier of the following: (1) The first general municipal election after the appointed District board unanimously passes a resolution to transition to an elected board; or (2) The first general municipal election after the Annexation Milestone. Trustee 3's appointment will end when the newly elected board member's term begins, regardless of how much time remains in the appointment. The registered voters of the District will elect replacement board members for Trustees 1 and 2 at the next municipal general election following the general municipal election in which Trustee 3 was elected. The appointments of Trustee 1 and Trustee 2 will end when the newly elected board members' terms begin, regardless of how much time remains in the original appointment for Trustees 1 and 2. Notwithstanding the foregoing, if a transition resolution is passed or the Annexation Milestone occurs too close to the next general municipal election, such that in either case it is not reasonably or legally possible to elect new a new member or members in the next general municipal election, the registered voters of the District will elect new member(s) at the following general municipal election.

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

D. Vacancy. Any vacancy on the Board shall be filled pursuant to the Local District Act and in accordance with the PID Act.

E. Compensation. 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 17B-2a-1205 and 67-16-9, Utah Code, shall be entitled to vote on such matters.

VII. REGIONAL IMPROVEMENTS

The District is authorized to facilitate or provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment and a contribution to the funding of the Regional Improvements and fund the administration and overhead costs related to the provisions of the Regional Improvements. Regional Improvements may include the Toquerville Bypass Road.

VIII. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District or an interlocal entity to which the District has pledged its revenues. The Financial Plan for the District shall be to issue such Debt as the District 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, or in the alternative, at the District's option, to pledge revenues derived from the Maximum Debt Mill Levy, Assessments and other legally available revenues to an interlocal entity that will issue such Debt as can be reasonably be paid. The total Debt that the Districts shall be permitted to issue, including through one or more interlocal entities, shall not exceed Two Hundred Forty Million Dollars (\$240,000,000) and shall be permitted to be issued on a schedule and in such year or years as the Districts determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. Any portion of bonds issued to refund a prior issuance of debt by the Districts shall not count against the permitted total Debt. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all Taxable Property within the District and Assessments. The District may also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, penalties, or charges, including as provided in Section 17B-2a-1210, Utah Code, as amended from time to time.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. 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, if issued by the District, will comply with all relevant requirements of this Governing Document, State law and Federal law as then applicable to the issuance of public securities.

C. Maximum Debt Mill Levy.

(a) The "Maximum Debt Mill Levy" shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Limited Tax Debt, which is .007 per dollar of taxable value; provided that such levy shall be subject to adjustment as provided in Section 17B-2a-1207(8), Utah Code.

(b) Such Maximum Debt Mill Levy may only be amended pursuant to a Governing Document Amendment and as provided in Section 17B-2a-1205, Utah Code.

D. Maximum Debt Mill Levy Imposition Term.

Any bond issued by the District shall mature within thirty (30) years from the date of issuance of such bond. In addition, no mill levy may be imposed for the repayment of a series of the District's bonds after a period exceeding forty (40) years from the date of issuance of such bond (the "Maximum Debt Mill Levy Imposition Term").

E. Debt Repayment Sources.

The District may impose a mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service. The District may also rely upon various other revenue sources authorized by law. At the District's discretion, these may include the power to assess Assessments, penalties, or charges, including as provided in Section 17B-2a-1210, Utah Code, as amended from time to time. Except as described in Section VIII.C(a), the debt service mill levy in the District shall not exceed the Maximum Debt Mill Levy or, the Maximum Debt Mill Levy Imposition Term, except for repayment of General Obligation Debt.

The District shall not be permitted to charge an End User the costs of any portion of a Public Improvement for which such End User has already paid or is presently obligated to pay through any combination of mill levy, 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 any Bond and any other instrument representing and constituting Debt, the District 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 authorizing the issuance of this Bond and in the governing document for any district that has issued the Bond or pledged revenues to repay the Bond.

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 District.

G. Security for Debt.

The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this Governing Document. Approval of this Governing Document shall not be construed as a guarantee by the City of payment of any of the District's 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 District in the payment of any such obligation.

H. District's Operating Costs.

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

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

I. Bond and Disclosure Counsel.

It is the intent of the City that the District shall use competent and nationally recognized bond and disclosure counsel with respect to District Bonds to ensure proper issuance and compliance with this Governing Document. The District has agreed to utilize the City's counsel, Gilmore & Bell, P.C., as bond and disclosure counsel with respect to District Bonds.

IX. ANNUAL REPORT

A. General.

After the District annexes at least .25 acres of property in accordance with this Governing Document, the District shall submit an annual report to the City Manager's Office no later than March 31st of each subsequent year.

B. Reporting of Significant Events.

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

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
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;
4. District office contact information;
5. Rules and regulations of the District regarding bidding, conflict of interest, contracting, and other governance matters, if changed;

6. A summary of any litigation which involves the District Public Improvements as of December 31 of the prior year;

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

8. A table summarizing total debt authorized and total debt issued by the District as well as any presently planned debt issuances;

9. Official statements of current outstanding bonded indebtedness, if not previously provided to the Creating Entity;

10. The assessed valuation of the District for the current year;

11. Current year budget including a description of the Public Improvements to be constructed in such year;

12. Audit of the District's financial statements, for the year ending December 31 of the previous year;

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

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

X. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes. Further, in no event shall a dissolution occur until the District has satisfied all contractual obligations, including but not limited to any pledge of tax revenues to an interlocal entity.

XI. DISCLOSURE TO PURCHASERS

Within thirty (30) days of the City adopting a resolution creating the District, the Board shall record a notice with the recorder of Washington County. Such notice shall (a) contain a description of the Initial Boundaries 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 (d) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. Such notice shall further be filed with the City.

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 Article XI;
- (2) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

“Under the maximum property tax rate of the District, a primary residence would have an additional annual property tax of \$700 per \$100,000 of taxable value for the duration of the District’s Bonds and a business property would have an additional annual property tax of \$700 per \$100,000 of taxable value 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.

XII. INTERLOCAL AGREEMENT

The form of the Interlocal Agreement, relating to the limitations imposed on the District’s activities, is attached hereto as **Exhibit D**. The District shall approve the Interlocal Agreement in the form attached as **Exhibit D** at its first Board meeting after its creation. Failure of the District to execute the Interlocal Agreement as required herein shall constitute a material violation and shall require a Governing Document Amendment. The City Council shall approve the Interlocal Agreement in the form attached as **Exhibit D** at the public meeting approving the Governing Document.

XIII. CONCLUSION

The creation of the District is in the best interests of the area proposed to be served.

EXHIBIT A-1

Legal Description of the Initial District Boundaries

Beginning at a point being South $87^{\circ}32'51''$ East 115.51 feet and along the section line and North 123.45 feet from the South Quarter Corner of Section 10, Township 41 South, Range 13 West, Salt Lake Base & Meridian, and running;

thence West 10.00 feet;
thence North 10.00 feet;
thence East 10.00 feet;
thence South 10.00 feet to the Point of Beginning.

Containing 100 square feet

DRAFT

EXHIBIT A-2
LEGAL DESCRIPTION OF THE ANNEXATION AREA

Parcel 1:

Beginning at a point being North 87°55'22" West 1,103.46 feet along the section line and North 380.65 feet from the Southeast Corner of Section 3, Township 41 South, Range 13 West, Salt Lake Base & Meridian, and running;

thence South 85°49'31" West 394.25 feet a point on the easterly line of a parcel deeded to Toquerville City for the Bypass Road Realignment, Entry No 20140018252;

thence northerly the following (5) courses along said easterly line of the Bypass Road Realignment

thence North 719.98 feet along an arc of a 1,275.00 foot radius curve to the left (center bears North 61°41'10" West, long chord bears North 12°08'13" East 710.45 feet with a central angle of 32°21'16");

thence North 04°02'25" West 435.30 feet;

thence Northwest 959.37 feet along an arc of a 1,275.00 foot radius curve to the left (center bears South 85°57'34" West, long chord bears North 25°35'48" West 936.89 feet with a central angle of 43°06'43");

thence North 1,431.16 feet along an arc of a 1,125.00 foot radius curve to the right (center bears North 42°50'51" East, long chord bears North 10°42'30" West 1,336.59 feet with a central angle of 72°53'18");

thence North 25°44'09" East 385.50 feet;

thence South 88°19'43" East 538.30 feet;

thence South 00°45'05" West 1,358.25 feet;

thence South 49°58'39" East 1,460.10 feet;

thence South 02°33'49" West 204.70 feet;

thence South 28°20'20" East 232.26 feet;

thence South 11°24'13" East 222.94 feet;

thence South 00°27'23" East 133.90 feet;

thence South 03°22'04" West 59.86 feet;

thence South 10°26'13" West 140.43 feet;

thence South 01°18'23" East 41.83 feet;

thence South 17°30'02" East 28.13 feet;

thence South 68°12'34" West 86.10 feet;

thence South 77°10'09" West 608.63 feet;

thence South 73°33'31" West 345.62 feet to the Point of Beginning.

Containing 3,301,793 sq. ft. 75.80 acres.

Parcel 2:

Beginning at a point being North 87°55'22" West 38.85 feet along the section line and North 671.08 feet from the Southeast Corner of Section 3, Township 41 South, Range 13 West, Salt Lake Base & Meridian, and running;

thence North 31°27'07" West 10.45 feet;
thence North 17°30'01" West 41.18 feet;
thence North 00°59'29" West 29.58 feet;
thence North 10°26'13" East 138.37 feet;
thence North 03°22'04" East 64.62 feet;
thence North 00°27'23" West 140.36 feet;
thence North 11°24'13" West 235.17 feet;
thence North 28°20'20" West 211.17 feet;
thence North 31°04'59" East 105.03 feet;
thence North 00°00'24" East 76.61 feet;
thence South 49°58'36" East 309.15 feet;
thence South 30°31'36" East 123.59 feet;
thence South 61°29'18" East 145.49 feet;
thence South 88°54'43" East 322.66 feet;
thence North 01°05'15" East 14.98 feet;
thence North 01°54'41" West 471.03 feet;
thence North 14°23'43" West 338.00 feet;
thence North 02°05'17" East 84.00 feet;
thence North 81°05'17" East 263.65 feet;
thence South 20°04'15" West 53.59 feet;
thence South 80°10'54" West 107.06 feet;
thence South 10°04'46" East 682.84 feet;
thence South 57°25'24" East 67.04 feet;
thence South 11°55'45" East 153.81 feet;
thence North 88°55'47" West 43.38 feet;
thence South 34°39'48" East 610.78 feet;
thence South 55°08'15" West 482.79 feet;
thence North 73°33'06" West 268.44 feet;
thence North 68°15'27" West 324.32 feet;
thence South 79°18'13" West 268.66 feet to the Point of Beginning.

Containing 935,503 square feet or 21.48 acres.

Parcel 3:

Beginning at a point being North 87°55'22" West 10.94 feet along the section line and North 626.49 feet from the Southeast Corner of Section 3, Township 41 South, Range 13 West, Salt Lake Base & Meridian, and running;

thence North 79°18'13" East 235.17 feet;
thence South 68°15'27" East 312.09 feet;
thence South 73°33'06" East 294.77 feet;
thence North 55°08'15" East 506.63 feet;
thence South 34°39'23" East 142.46 feet;

thence South 70°36'02" West 637.00 feet;
thence South 49°56'02" West 210.00 feet;
thence South 71°37'02" West 243.00 feet;
thence South 25°03'58" East 180.00 feet to the section line;
thence South 81°15'34" West 134.04 feet along said section line;
thence North 11°03'39" West 28.33 feet;
thence North 02°13'12" West 125.81 feet;
thence North 15°13'08" West 199.38 feet;
thence North 41°22'14" West 129.31 feet;
thence North 35°47'22" West 158.69 feet;
thence North 31°27'07" West 21.27 feet to the Point of Beginning.

Containing 238,282 square feet or 5.47 acres.

Parcel 4:

Beginning at the Southeast Corner of Section 3, Township 41 South, Range 13 West, Salt Lake Base & Meridian, and running;

thence North 87°55'22" West 990.00 feet along the section line;
thence South 00°54'52" West 2,670.25 feet to the center section line of Section 10, said Township 41 South, Range 13 West, Salt Lake Base & Meridian;
thence South 87°48'17" East 993.01 feet along said center section line to the Quarter Corner common to Sections 10 and 11, said Township 41 South, Range 13 West, Salt Lake Base & Meridian;
thence North 00°51'04" East 411.34 feet along the section line;
thence North 81°43'03" East 243.98 feet to the westerly line of Mesa View Drive;
thence the following (3) course along said Mesa View Drive;
thence South 00°21'26" East 46.70 feet;
thence North 88°33'19" East 60.01 feet;
thence North 00°21'26" West 44.76 feet;
thence South 89°02'33" East 851.45 feet;
thence South 14°17'27" East 7.90 feet;
thence South 25°00'29" East 126.24 feet;
thence South 43°37'11" East 55.85 feet;
thence South 45°20'53" East 96.46 feet;
thence South 00°15'11" East 37.51 feet;
thence North 67°52'00" East 4.58 feet to the 1/16th line;
thence South 00°56'24" West 2,843.55 feet along said 1/16th line a portion of said 1/16th line also being the westerly line of Almond Heights Park Subdivision to the Southeast Corner of the Southwest Quarter of the Southwest Quarter of said Section 11;
thence South 00°50'50" West 1,316.75 feet along the 1/16th line a portion of said 1/16th line also being the westerly line of Almond Heights Park Subdivision to that parcel deeded to Toquerville City for the Bypass Road Realignment, Entry No 20140018252;
thence northerly the following (12) courses along said Bypass Road Realignment;

thence North $64^{\circ}01'23''$ West 58.07 feet;
thence Northwest 541.27 feet along an arc of a 1,140.00 foot radius curve to the right (center bears North $25^{\circ}58'35''$ East, long chord bears North $50^{\circ}25'18''$ West 536.20 feet with a central angle of $27^{\circ}12'14''$);
thence Northwest 897.30 feet along an arc of a 1,260.00 foot radius curve to the left (center bears South $53^{\circ}10'49''$ West, long chord bears North $57^{\circ}13'16''$ West 878.46 feet with a central angle of $40^{\circ}48'10''$);
thence North $77^{\circ}37'21''$ West 334.39 feet;
thence Northwest 1,636.81 feet along an arc of a 1,440.00 foot radius curve to the right (center bears North $12^{\circ}22'38''$ East, long chord bears North $45^{\circ}03'34''$ West 1,550.11 feet with a central angle of $65^{\circ}07'36''$);
thence North $12^{\circ}29'46''$ West 1,085.62 feet;
thence Northwest 589.56 feet along an arc of a 1,560.00 foot radius curve to the left (center bears South $77^{\circ}30'13''$ West, long chord bears North $23^{\circ}19'23''$ West 586.06 feet with a central angle of $21^{\circ}39'12''$);
thence North 834.54 feet along an arc of a 1,440.00 foot radius curve to the right (center bears North $55^{\circ}51'01''$ East, long chord bears North $17^{\circ}32'50''$ West 822.91 feet with a central angle of $33^{\circ}12'19''$);
thence North $00^{\circ}56'40''$ West 682.96 feet;
thence North 312.01 feet along an arc of a 1,440.00 foot radius curve to the right (center bears North $89^{\circ}03'20''$ East, long chord bears North $05^{\circ}15'46''$ East 311.40 feet with a central angle of $12^{\circ}24'52''$);
thence North $11^{\circ}28'12''$ East 884.68 feet;
thence North 181.30 feet along an arc of a 1,440.00 foot radius curve to the right (center bears South $78^{\circ}31'48''$ East, long chord bears North $15^{\circ}04'36''$ East 181.18 feet with a central angle of $07^{\circ}12'49''$);
thence South $85^{\circ}51'25''$ East 114.26 feet;
thence North $01^{\circ}25'07''$ West 75.74 feet;
thence North $82^{\circ}57'41''$ West 83.91 feet to the easterly line of said Bypass Road Realignment;
thence Northeast 252.39 feet along an arc of a 1,440.00 foot radius curve to the right (center bears South $68^{\circ}01'02''$ East, long chord bears North $27^{\circ}00'15''$ East 252.07 feet with a central angle of $10^{\circ}02'32''$) along said Bypass Road Realignment to the section line;
thence South $87^{\circ}55'22''$ East 17.34 feet along said section line;
thence Northeast 163.49 feet along an arc of a 1,425.00 foot radius curve to the right (center bears South $57^{\circ}37'36''$ East, long chord bears North $35^{\circ}39'36''$ East 163.40 feet with a central angle of $06^{\circ}34'25''$);
thence Northeast 176.41 feet along an arc of a 1,275.00 foot radius curve to the left (center bears North $51^{\circ}03'11''$ West, long chord bears North $34^{\circ}58'59''$ East 176.27 feet with a central angle of $07^{\circ}55'40''$);
thence North $85^{\circ}49'31''$ East 433.15 feet;
thence North $73^{\circ}33'31''$ East 349.42 feet;
thence North $77^{\circ}10'09''$ East 610.97 feet;
thence North $68^{\circ}12'34''$ East 92.09 feet;
thence South $31^{\circ}27'07''$ East 69.03 feet;
thence South $35^{\circ}43'22''$ East 163.02 feet;
thence South $41^{\circ}22'14''$ East 120.16 feet;

thence South 15°13'08" East 182.07 feet;
thence South 02°13'12" East 123.98 feet;
thence South 11°03'39" East 30.04 feet to the section line;
thence South 81°15'16" West 193.86 feet along the section line to the Point of Beginning.

Containing 13,063,002 square feet or 299.89 acres

Parcel 5:

Beginning at a point on the westerly line of a parcel deeded to Toquerville City for the Bypass Road Realignment, Entry No 20140018252, said point being North 87°55'22" West 1,645.52 feet along the section line and North 344.59 feet from the Southeast Corner of Section 3, Township 41 South, Range 13 West, Salt Lake Base & Meridian, and running;

thence North 50°41'28" West 273.25 feet;
thence North 79°32'20" East 61.92 feet;
thence North 10°27'52" West 514.45 feet;
thence South 79°32'08" West 336.15 feet;
thence South 10°27'52" East 514.45 feet;
thence North 79°32'04" East 208.74 feet;
thence South 50°41'30" East 321.44 feet to said westerly line of the Bypass Road Realignment;
thence southerly the following (15) courses along said Bypass Road Realignment;
thence Southwest 101.56 feet along an arc of a 1,140.00 foot radius curve to the right (center bears North 56°09'27" West, long chord bears South 36°23'41" West 101.53 feet with a central angle of 05°06'16");
thence Southwest 748.12 feet along an arc of a 1,560.00 foot radius curve to the left (center bears South 51°03'11" East, long chord bears South 25°12'30" West 740.97 feet with a central angle of 27°28'37");
thence South 11°28'12" West 884.68 feet;
thence South 338.01 feet along an arc of a 1,560.00 foot radius curve to the left (center bears South 78°31'48" East, long chord bears South 05°15'46" West 337.35 feet with a central angle of 12°24'52");
thence South 00°56'40" East 682.96 feet;
thence South 904.08 feet along an arc of a 1,560.00 foot radius curve to the left (center bears North 89°03'20" East, long chord bears South 17°32'49" East 891.48 feet with a central angle of 33°12'18");
thence Southeast 544.21 feet along an arc of a 1,440.00 foot radius curve to the right (center bears South 55°51'01" West, long chord bears South 23°19'22" East 540.98 feet with a central angle of 21°39'12");
thence South 12°29'46" East 1,085.62 feet;
thence Southeast 1,773.21 feet along an arc of a 1,560.00 foot radius curve to the left (center bears North 77°30'14" East, long chord bears South 45°03'33" East 1,679.28 feet with a central angle of 65°07'36");
thence South 77°37'21" East 334.39 feet;

thence Southeast 811.84 feet along an arc of a 1,140.00 foot radius curve to the right (center bears South 12°22'39" West, long chord bears South 57°13'16" East 794.79 feet with a central angle of 40°48'09");

thence Southeast 598.24 feet along an arc of a 1,260.00 foot radius curve to the left (center bears North 53°10'48" East, long chord bears South 50°25'18" East 592.64 feet with a central angle of 27°12'13");

thence South 64°01'23" East 57.77 feet;

thence Southeast 29.69 feet along an arc of a 1,060.00 foot radius curve to the left (center bears North 25°58'36" East, long chord bears South 64°49'33" East 29.69 feet with a central angle of 01°36'17");

thence South 65°37'41" East 25.97 feet to the 1/16th line;

thence South 00°51'46" West 1,092.01 feet along said 1/16th line to the Northeast Corner of the Northwest Quarter of the Southwest Quarter of Section 14, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence South 00°56'35" West 1,315.31 feet along the 1/16th line to the Southeast Corner of the Northwest Quarter of the Southwest Quarter of Section 14, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence North 88°17'28" West 1,318.26 feet along the 1/16th line to the Southwest Corner of the Northwest Quarter of the Southwest Quarter of Section 14, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence North 89°04'32" West 1,937.32 feet along the 1/16th line to the Northwest Corner of the Northeast Quarter of the Southwest Quarter of Southeast Quarter of Section 15, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence South 00°15'31" West 1,321.50 feet along 1/64th line to the Southwest Corner of the Southeast Quarter of the Southwest Quarter of Southeast Quarter of Section 15, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence South 89°07'52" East 641.04 feet along the section line to the Northeast corner of the Northwest Quarter of the Northeast Quarter of Section 22, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence South 01°01'22" West 2,641.22 feet along the 1/16th line to the Southeast corner of the Southwest Quarter of the Northeast Quarter of Section 22, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence North 88°33'22" West 1,289.50 feet along the 1/16th line to the center of section line;

thence South 01°10'57" West 3041.64 feet along said center section line to the South Quarter Corner of said Section 22, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence North 89°02'53" West 1,309.10 feet along the section line to the Southwest Corner of the Southeast Quarter of the Southwest Quarter of said Section 22, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence North 00°56'54" East 2,635.79 feet along the 1/16th line to the Northwest Corner of Lot 10 said Section 22, Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence North 00°57'35" East 1,316.09 feet along the westerly line to the northwest corner of Lot 7, said Section 22;

thence North 00°56'04" East 1,722.30 feet along the westerly line of Lots 4 and 1 of said Section 22 to the Southwest Corner of the Southeast Quarter of the Southwest Quarter of said Section 15;

thence North 00°14'33" East 1,319.84 feet along the 1/16 line to the Northwest Corner of the Southeast Quarter of the Southwest Quarter of said Section 15;

thence South 88°56'56" East 1,327.98 feet along the 1/16th line to the Northeast Corner of the Southeast Quarter of the Southwest Quarter of said Section 15;

thence North 00°03'01" East 3,897.37 feet along the center section line to the quarter corner common to Sections 10 & 15 of Township 41 South, Range 13 West, Salt Lake Base & Meridian;

thence North 00°42'01" East 1,330.70 feet along the 1/16th line to the Northeast Corner of the Southeast Quarter of the Southwest Quarter of said Section 10;

thence North 87°44'11" West 1,318.73 feet along the 1/16th line to the Northwest Corner of the Southeast Quarter of the Southwest Quarter of said Section 10;

thence South 00°35'51" West 1,326.44 feet along the 1/16th line to the Southwest Corner of the Southeast Quarter of the Southwest Quarter of said Section 10;

thence North 87°32'29" West 1,315.39 feet along the section line to the Southwest Corner of said Section 10;

thence North 00°28'15" East 2,644.09 feet along the section line to the West Quarter Corner of said Section 10;

thence North 00°27'36" East 2,661.99 feet along the section line to the Northwest Corner of said Section 10;

thence North 00°12'11" West 2,655.97 feet along the section line to the West Quarter Corner of said Section 3;

thence North 00°06'28" East 1,279.85 feet along the section line ;

thence South 88°18'17" East 3,301.72 feet to the westerly line of said Bypass Road Realignment;

thence southerly the following (5) courses along the said Bypass Road Realignment;

thence South 25°44'09" West 325.24 feet;

thence South 1,602.90 feet along an arc of a 1,260.00 foot radius curve to the left (center bears South 64°15'50" East, long chord bears South 10°42'30" East 1,496.98 feet with a central angle of 72°53'18");

thence Southeast 857.79 feet along an arc of a 1,140.00 foot radius curve to the right (center bears South 42°50'51" West, long chord bears South 25°35'47" East 837.70 feet with a central angle of 43°06'43");

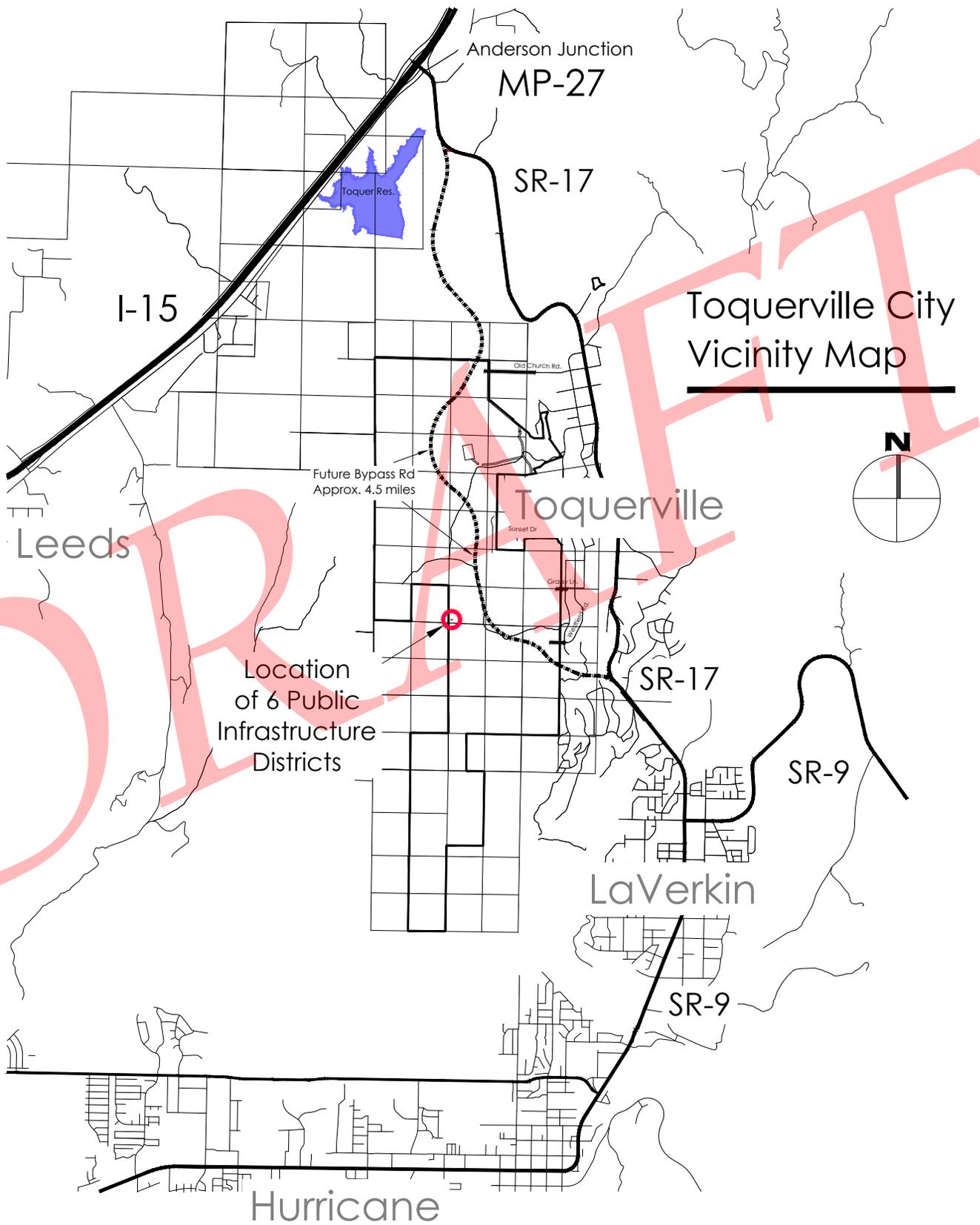
thence South 04°02'25" East 435.30 feet;

thence South 703.39 feet along an arc of a 1,140.00 foot radius curve to the right (center bears South 85°57'36" West, long chord bears South 13°38'09" West 692.28 feet with a central angle of 35°21'07") to the Point of Beginning.

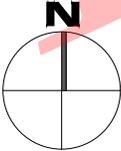
Containing 56,620,553 square feet or 1,299.83 acres.

EXHIBIT B
TOQUERVILLE CITY VICINITY MAP

DRAFT



Toquerville City Vicinity Map



Leeds

Anderson Junction
MP-27

SR-17

I-15

Future Bypass Rd
Approx. 4.5 miles

Toquerville

Location
of 6 Public
Infrastructure
Districts

SR-17

SR-9

LaVerkin

SR-9

Hurricane

EXHIBIT C-1

Initial District Boundary Map

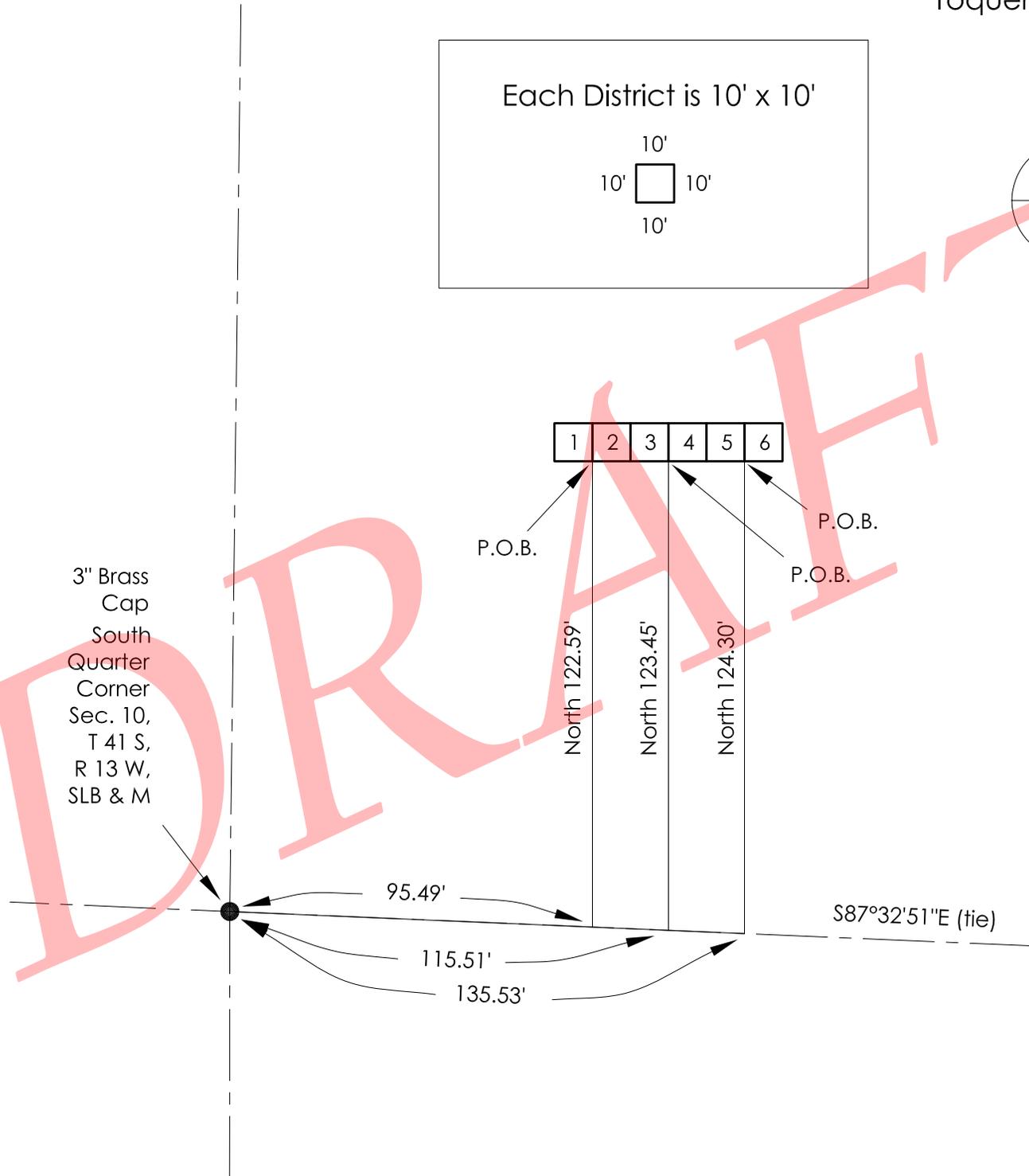
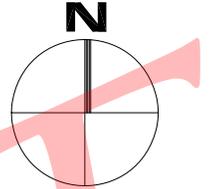
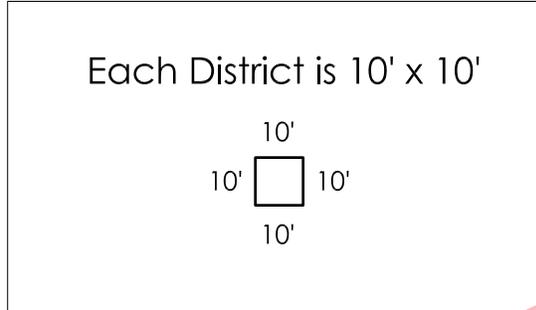
DRAFT

SRC Land Holdings, LLC

Public Infrastructure Districts 1-6

Toquerville, UT

4-14-20



NOTE: THIS PLAT IS FOR ILLUSTRATIVE PURPOSES ONLY. REFER TO THE LEGAL DESCRIPTION FOR ACTUAL BOUNDARY.

EXHIBIT C-2

Annexation Area Boundary Map

DRAFT

DATE: 3/25/2020

JOB NO.: 11573-19

DRAWN BY: B.E.A.

DESIGNED BY: B.E.A.

SCALE: NTS

DWG: SURVEY-BASE.DWG

DATE:

REVISIONS

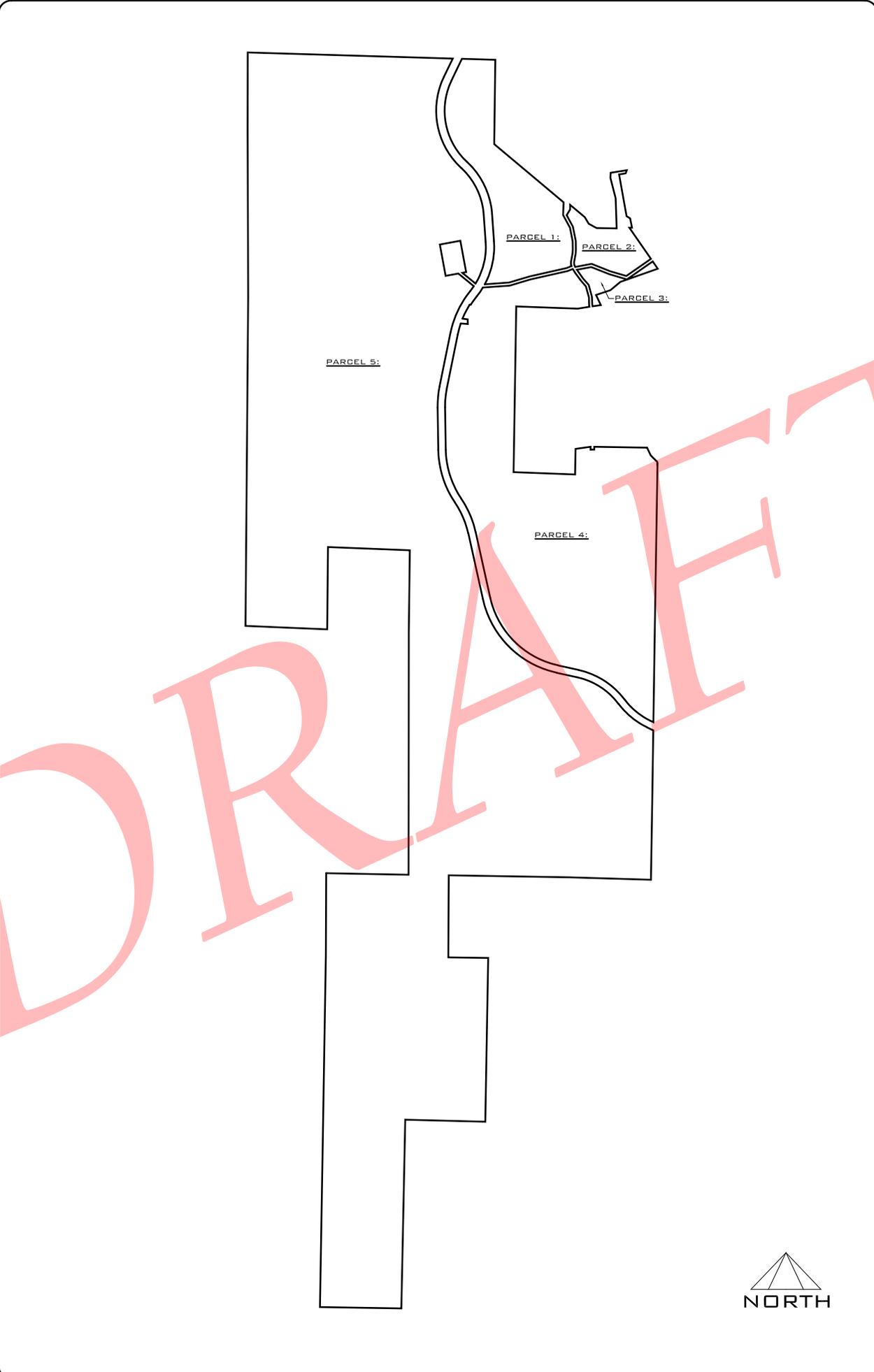


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FX (435) 673-8337
WWW.RACIVIL.COM

EXHIBIT MAP

SHEET
1
OF 1 SHEETS



DRAFT

EXHIBIT D

Interlocal Agreement between the District and Toquerville City

DRAFT

INTERLOCAL AGREEMENT BETWEEN
TOQUERVILLE CITY, UTAH
AND
PINE VIEW PUBLIC INFRASTRUCTURE DISTRICT NO. 3

THIS AGREEMENT is made and entered into as of this ____ day of _____, 2020, by and between Toquerville City, Utah, a municipal corporation of the State of Utah (“City”), and PINE VIEW PUBLIC INFRASTRUCTURE DISTRICT NO. 3, a political subdivision of the State of Utah (the “District”). The City and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to provide to exercise powers as are more specifically set forth in the District’s Governing Document approved by the City on July 16, 2020 (“Governing Document”); and

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

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

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

COVENANTS AND AGREEMENTS

1. Operations and Maintenance. The District shall dedicate the Public Improvements (as defined in the Governing Document) to the City or other appropriate jurisdiction in a manner consistent with the applicable provisions of the City Code. The District shall be authorized, but not obligated, to own Public Improvements not otherwise required to be dedicated to the City or other public entity, and all necessary equipment and appurtenances incident thereto.

All parks and trails owned by the District shall be open to the general public and Non-District City residents, subject to the rules and regulations of the District as adopted from time to time. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the District.

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

3. Issuance of Privately Placed Debt. Prior to the issuance of any privately placed Debt, the District shall obtain the certification of a Municipal Advisor substantially as follows:

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

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

4. Inclusion Limitation. The District shall not include within any of its boundaries any property outside the District Area without the prior written consent of the City. The City, by resolution, has consented to the District's annexation or withdrawal of any area within the Annexation Area Boundaries. The District may, by resolution, and without the prior written consent of the City, annex or withdraw any property within the District Area if the District has the consent of all property owners and registered voters, if any, within the area to be annexed or withdrawn, after filing such consent with the City. No further action of the City shall be required after filing of such consents by the District. The City agrees that if the District's annexation or withdrawal via unilateral resolution fails or would be invalid in the District's opinion, the City agrees to consider adopting a resolution under 17B-2a-1204(3)(a) that mirrors the District's resolution to annex the property within the Annexation Area Boundaries.

5. Overlap Limitation. The District shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District. The District may annex an area that is a part of another public infrastructure district only if the aggregate mill levy for payment of Debt of the overlapping area would not exceed the Maximum Debt Mill Levy of the District.

6. Initial Debt. On or before the effective date of approval by the City of this Interlocal Agreement, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt. The District shall, before issuing any Debt, submit a public infrastructure plan to the City that provides detail on the public infrastructure that is to be financed or reimbursed by the District, however no action of the City shall be required in connection with the public infrastructure plan.

7. Total Debt Issuance. The Districts shall not issue Debt in excess of an aggregate amount of Two Hundred Forty Million Dollars (\$240,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the District.

8. Bankruptcy. All of the limitations contained in the Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy and the Maximum Debt Mill Levy Imposition Term have been established under the authority of the City to approve a Governing Document with conditions pursuant to Section 17B-2a-1204(4), Utah Code. It is expressly intended that such limitations:

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

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

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

9. Dissolution. Upon an independent determination of the City Council that the purposes for which the District was created have been accomplished, the District agrees to file petitions in the appropriate District Court for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of its outstanding indebtedness and other financial obligations as required pursuant to State statutes. Further, in no event shall a dissolution occur until the District has satisfied all contractual obligations, including but not limited to any pledge of tax revenues to an interlocal entity.

10. Disclosure to Purchasers. Within thirty (30) days of the City adopting a resolution creating the District, the Board shall record a notice with the recorder of Washington County. Such notice shall (a) contain a description of the Initial Boundaries 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 (d) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. Such notice shall further be filed with the City.

11. Governing Document Amendment Requirement. Actions of the District which violate the limitations set forth in V.A.1-9 or VIII.B-G of the Governing Document shall be deemed to be material violations of the Governing Document and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

12. Annual Report. The District shall be responsible for submitting an annual report to the City Manager’s Office no later than March 31st of each year following the year in which the District first annexed any property, containing the information set forth in Section VIII of the Governing Document.

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

14. Maximum Debt Mill Levy.

(a) The “Maximum Debt Mill Levy” shall be the maximum mill levy the District is permitted to impose upon the taxable property within the District for payment of Limited Tax Debt shall be seven (7) mills; provided that such levy shall be subject to adjustment as provided in Section 17B-2a-1207(8).

(b) Such Maximum Debt Mill Levy may only be amended pursuant to a Governing Document Amendment and as provided in Section 17B-2a-1205.

15. Maximum Debt Mill Levy Imposition Term. Each bond issued by the District shall mature within thirty (30) 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 date of issuance of such bond (the “Maximum Debt Mill Levy Imposition Term”).

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

To the District: Pine View Public Infrastructure District No. 3
1404 W. SunRiver Parkway, Suite 300
St. George, UT 84790
Attn: Darcy Stewart
Phone: (435) 673-4300

To the City: Toquerville City
212 N. Toquerville Boulevard
Toquerville, UT 84774
Attn: Mayor
Phone: (435) 668-1290

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with United Parcel Service or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

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

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

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

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

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

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

23. Parties Interested Herein. There are no third-party beneficiaries to this Agreement. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon, or to give to, any person other than the District and the City any right, remedy, or claim under or by reason of this Agreement or any covenants, terms, conditions, or provisions thereof, and all the covenants, terms, conditions, and provisions in this Agreement by and on behalf of the District and the City shall be for the sole and exclusive benefit of the District and the City.

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

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

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

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

SIGNATURE PAGE TO INTERLOCAL AGREEMENT

PINE VIEW PUBLIC INFRASTRUCTURE
DISTRICT NO. 3

By: _____
Chair

Attest:

Secretary

TOQUERVILLE CITY, UTAH

By: _____
Lynn Chamberlain, Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____

