

INTERLOCAL COOPERATION AGREEMENT  
BETWEEN  
GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT, COPPERTON METRO  
TOWNSHIP, EMIGRATION CANYON METRO TOWNSHIP,  
KEARNS METRO TOWNSHIP, MAGNA METRO TOWNSHIP,  
WHITE CITY METRO TOWNSHIP, TOWN OF BRIGHTON AND  
SALT LAKE COUNTY  
RESPECTING THE ISSUANCE OF BONDS TO PAY FOR INFRASTRUCTURE

THIS AGREEMENT (the “Agreement”) is made and entered into by and among the GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT, a local district and political subdivision of the state of Utah (“District”); COPPERTON METRO TOWNSHIP, a municipal corporation (“Copperton”); EMIGRATION CANYON METRO TOWNSHIP, a municipal corporation (“Emigration”); KEARNS METRO TOWNSHIP, a municipal corporation (“Kearns”); MAGNA METRO TOWNSHIP, a municipal corporation (“Magna”); WHITE CITY METRO TOWNSHIP, a municipal corporation (“White City”); the TOWN OF BRIGHTON, a municipal corporation (“Brighton”); and SALT LAKE COUNTY, a body corporate and politic and a political subdivision of the state of Utah (“County”), on behalf of unincorporated areas located within the District. The Metro Townships and Brighton may be referred to herein as the “Municipalities”. Each Metro Township, Brighton and the County may be referred to separately or collectively as “District Members” or “Members”. The District and the Members are sometimes referred to in this Agreement as the “Parties”, and each as a “Party”.

RECITALS

A. **WHEREAS**, as a duly formed and lawfully existing municipal services district under the MUNICIPAL SERVICES DISTRICT ACT, Utah Code Ann. § 17B-2a-1101 *et seq.* (the “Act”), the District is authorized to exercise all rights, powers, duties, and responsibilities

of a municipal services district as provided by law. The District was created to provide specified municipal services to unincorporated areas of the County and to those metro townships, cities, and towns that might choose to be part of the District or to contract with the District for the provision of services.

- B. **WHEREAS**, the Municipalities and remaining unincorporated areas within Salt Lake County are served by the District,
- C. **WHEREAS**, the Parties have determined, in light of favorable bond interest rates and escalating infrastructure construction costs, that it may be in their best interest for the District to issue bonds and construct capital improvements sooner than those improvements can be constructed on a pay-as-you-go basis.
- D. **WHEREAS**, the District may be able to obtain federal grant funding for some of the planned infrastructure construction projects, in which event the District will only be required to pay the “local match” portion of the costs of those projects, which may result in a lower level of borrowing, the completion of more infrastructure projects, and/or early partial repayment of the bonds.
- E. **WHEREAS**, pursuant to the Interlocal Cooperation Act, Utah Code Ann. § 11-13-101 *et seq.* (the “Interlocal Cooperation Act”), the District, and all District Members are authorized to enter into this Agreement.
- F. **WHEREAS**, the Parties have determined that it is mutually advantageous to enter into this Agreement and for the District to issue bonds to pay for infrastructure that will benefit the District Members and will contribute to the prosperity, well-being, peace, and comfort of their residents and constituents.

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


#### AGREEMENT

1. Scope and Description of Borrowing.

The District, in reliance upon this Agreement, will issue one or a series of bonds, through private placement, direct placement, one or more public offerings, or a combination thereof, in a principal amount that will not exceed \$20,000,000 in the aggregate, not including refunding bonds, (collectively and individually the “Bond”). Each series of Bonds issued pursuant to this Agreement will have a term of no more than ten (10) years, level debt, and the end date of any Refunding Bonds shall not exceed the end date of the underlying Bonds that are being refunded. Notwithstanding the immediately preceding sentence, however, a Series of Bonds may be issued with a term exceeding ten (10) years and/or may require debt payments that are not relatively equal from year to year upon the affirmative vote of at least two-thirds of the total voting power of the MSD Board of Trustees. The Bond may be secured by each District Member’s proportionate share of Class B and Class C road revenues as calculated in Subsection 2(a), which the District Members covenant and agree to promptly remit and pay over to the District as the said revenues are received. For purposes of this Agreement, Class B and Class C road revenues include all funds allocated to the municipalities and/or the County under Utah Code Ann. § 72-2-107. The Bond proceeds will be used to construct any infrastructure within the boundaries of the District for which Class B and/or Class C road revenues may be used and pledged under Utah state law (“infrastructure”). The infrastructure projects

that will be funded fully or partially by Bond proceeds will be determined and approved from time-to-time by the District Board of Trustees. Engineering staff will identify and provide information concerning infrastructure projects, including a recommended ranking for each project in comparison with other proposed projects based upon such factors as the need for and value of the project, but the final ranking and priority of each project will be determined by the District Board of Trustees. However, once particular projects are undertaken using Bond proceeds, any changes to such projects are subject to the Bond's issuance documents. At least one hundred twenty (120) days prior to the issuance of a Bond, the District shall notify each District Member of its intent to issue the Bond, to the extent providing such notice is feasible under the circumstances. If one hundred twenty (120) days prior notice is not feasible, the District shall give the best notice practicable under the circumstances to each District Member.

2. Commitment of Each District Member.

Each District Member covenants and agrees to be responsible for its proportionate share of all principal and interest payments on the Bond until the bonded indebtedness has been paid in full, both while the District Member remains part of the District and after the District Member has withdrawn from the District, should the said  District Member choose to withdraw. Notwithstanding anything to the contrary in this Agreement, and except as limited by applicable law, a District Member's obligation to contribute toward any payment on the Bond will not be more than the total amount of the Class B or Class C road revenues of the said District Member.



- (a) For purposes of this Agreement, “proportionate share” shall be calculated as follows:
- (i) Add up the total amount of the Class B and Class C road revenues of the District Members annually;
  - (ii) Determine the percentage of each District Member’s contribution to the total amount in subsection 2(a)(i);
  - (iii) Determine the amount required to repay Bond proceeds, costs of issuance, capitalized interest, and debt service reserve requirements annually; and
  - (iv) Multiply a District Member’s percentage in subsection (2)(a)(ii) by the amount in subsection (2)(a)(iii).
- (b) Each District Member’s proportionate share of Class B and Class C road revenues will be comingled and used by the District for appropriate purposes, including the construction of infrastructure based upon the priority and timing for the same established by the District Board of Trustees.
- (c) Should a District Member fail, for any reason, to remit its proportionate share of a payment required on a bond that is issued pursuant to this Agreement, the District Member shall be required to pay, in addition to its proportionate share of the bond payment, a penalty equal to [the District Members’ attorneys are requested to provide input for this provision].
- (d) Each Party understands, acknowledges and agrees that its attorney may be required, as part of a bond closing, to opine concerning the legality and enforceability of this Agreement.
- (e) Should a District Member withdraw from the District (hereinafter a “Withdrawing Member”), the said Withdrawing Member shall remain liable and responsible for its

proportionate share of the remaining unpaid balance (including interest) of the Bond that has been issued up to the effective date of the withdrawal, but not for any portion of the Bond issued after that date, in accordance with the following: (i) The Withdrawing Member shall be responsible for and pay its share of the total redemption premium, principal and interest of the Bond, which share shall be determined by dividing the proportionate share of the Class B or Class C road revenues, as applicable, received by the Withdrawing Member during the three most recent complete fiscal years before the effective date of the withdrawal by all District Members' proportionate shares during the same period of time. (ii) an infrastructure project that has commenced (meaning funds have been expended on or contractually committed for the project) within a Withdrawing Member's jurisdiction prior to the effective date of the withdrawal, with the concurrence of the Withdrawing Member, will be completed after the withdrawal, in which event, notwithstanding the foregoing, the Withdrawing Member will be required to pay its proportionate share of the entire Bond, including a portion of the Bond issued after the effective date of the Withdrawal, if the Bond proceeds will be utilized, at least in part, to pay for the said infrastructure.

- (f) The withdrawing Member shall remit payment, via electronic funds transfer or check, at least thirty (30) days before the date of each remaining payment due under the Bond, as directed by the District.
- (g) At least sixty (60) days before the due date, the District shall deliver a written statement to the Withdrawing Member that itemizes the amount due from the

Withdrawing Member, including a breakdown that shows how the amount due was calculated.

- (h) If the date a payment by a Withdrawing Member is due and payable falls on (i) a legal holiday recognized in Salt Lake County, Utah, (ii) a Saturday, (iii) a Sunday, or (iv) another day on which weather or other conditions make the District office inaccessible, then the payment shall be due and payable on the next day which is not one of the aforementioned days. If any required payment is not remitted to the District as and when due, the District shall be entitled to recover interest thereon at the rate of one percent (1%) per calendar month, to accrue from and after the date the remittance is due and payable.
- (i) Alternatively, at the Withdrawing Member's option, the Withdrawing Member may defease its proportionate share of the Bonds by providing a refunding escrow (just as a local governmental entity would do when defeasing its own bonds).
- (j) All projects (ongoing and future) that are subject to a Bond shall be completed notwithstanding the withdrawal, provided that the Withdrawing Member may elect not to have a designated improvement project completed within its jurisdiction on the condition that the project can be excluded without violating any design, construction or other contract that is then in effect.
- (k) A Withdrawing Member shall not pledge Class B and/or Class C road revenues that have already been pledged under this Agreement on a priority basis, but only on a subordinated basis.

3. Progress Reports. Notwithstanding Section 6 below, at least annually, the District will provide a written progress report to the District Members. The report will include such

detail respecting the outstanding Bond and infrastructure projects upon which Bond proceeds have been and are being expended as reasonably requested by any District Member. At a minimum, each report will include the original principal amount of the Bond, the remaining unpaid principal balance, the schedule of all Bond payments that have been made, each infrastructure project that has been or is being financed, in whole or in part, using Bond proceeds, a schedule of upcoming Bond payments, and an accounting of each District Member's annual proportionate share obligations. The delivery of a written report meeting the requirements stated above in this Section that is delivered to the District Member's representative on the District Board of Trustees shall constitute delivery of the report to the District Member. Nothing in the progress report shall excuse or reduce the revenues pledged by the Parties to repay Bonds.

4. Effective Date and Term.

- a. This Agreement shall be effective upon the last of the following events to occur:
  - (i) approval of the Agreement as provided in the Utah Code Ann. § 11-13-202.5(1) and (2),
  - (ii) delivery of the Agreement to an attorney representing each Party for review as to proper form and compliance with applicable law, and
  - (iii) the filing of the signed Agreement with the keeper of records of each of the Parties.
- b. The term of this Agreement shall terminate on the later of: (i) the date which is eleven (11) years after the issuance date of the last of the Bonds to be issued by the District, unless the term of one of the Bonds is for a longer period of time, as provided in Section 1 above or (ii) one (1) year after all of the Bonds have been paid in full, which date shall, in any event, not be later than December 31, 2035,



unless such termination date is either extended or shortened by the mutual written agreement of the Parties.

5. Termination. Pursuant to Utah Code Ann. § 11-13-206(a), the Parties agree that this Agreement may be terminated prior to the end of the term stated in Section 4 above only upon an express written agreement entered into by all of the Parties at least ninety (90) days prior to the agreed upon termination date. A District Member's withdrawal does not require termination of this Agreement or an agreement by all of the Parties; only the written notice outlined in paragraph 6 is required.
6. Written Notices. For purposes of communicating and maintaining ongoing contract management, written notices will be delivered, mailed or sent by email to each designated Party identified below to the address or email on file with the District. Each Party shall be responsible to maintain updated addresses and emails.

DISTRICT:                   Greater Salt Lake Municipal Services District  
District General Manager  
2001 South State Street, N3-600  
Salt Lake City, UT 84190  
E-mail: [bhartsell@msd.utah.gov](mailto:bhartsell@msd.utah.gov)

With a copy to               Counsel for the District  
Fabian VanCott  
Mark H. Anderson  
Rachel S. Anderson  
215 South State Street, Suite 1200  
Salt Lake City, UT 84111  
E-mail: [mhanderson@fabianvancott.com](mailto:mhanderson@fabianvancott.com)  
E-mail: [randerson@fabianvancott.com](mailto:randerson@fabianvancott.com)

COUNTY:                   Salt Lake County Office of the Mayor  
Attn: Deputy Mayor  
2001 South State Street, N2-100  
Salt Lake City, UT 84114  
E-mail: [ckanter@slco.org](mailto:ckanter@slco.org)

With a copy to Salt Lake County District Attorney  
Attn: Chief Deputy District Attorney  
35 East 500 South  
Salt Lake City, UT 84111  
E-mail: [rhamness@slco.org](mailto:rhamness@slco.org)

Salt Lake County Council, Chairperson  
2001 South State Street, N2-200  
Salt Lake City, UT 84190  
e-mail: [sdebry@slco.org](mailto:sdebry@slco.org)

COPPERTON: Copperton Metro Township  
Mayor: Sean Clayton  
P.O. Box 125  
Copperton, UT 84006  
E-mail: [seanclayton@coppertonutah.org](mailto:seanclayton@coppertonutah.org)

EMMIGRATION: Emigration Canyon Metro Township  
Mayor: Joe Smolka  
5025 East Emigration Canyon Road  
Salt Lake City, UT 84108  
E-mail: [smolka@ecmetro.org](mailto:smolka@ecmetro.org)

KEARNS: Kearns Metro Township  
Mayor: Kelly Bush  
4956 West 6200 South, Suite 527  
P.O. Box 527  
Kearns, UT 84118  
E-mail: [Lobkb973@hotmail.com](mailto:Lobkb973@hotmail.com)

MAGNA: Magna Metro Township  
Mayor: Dean Peay  
8952 West Magna Main Street  
P.O. Box 136  
Magna, UT 84044  
E-mail: [dan.peay@magnacity.org](mailto:dan.peay@magnacity.org)

WHITE CITY: White City Metro Township  
Mayor: Paulina Flint  
10467 S. Carnation Drive  
White City, UT 84094  
E-mail: [paulina.flint@whitecity-ut.org](mailto:paulina.flint@whitecity-ut.org)

BRIGHTON: Town of Brighton

Mayor: Danial E. Knopp  
7688 S. Big Cottonwood Canyon Rd.  
Brighton, UT 84121  
E-mail: [danknopp@brighton.utah.gov](mailto:danknopp@brighton.utah.gov)

A written notice shall be effective immediately upon personal or e-mail delivery as noted above or on the third business day after deposit in the United States mail, first class postage pre-paid, addressed as stated above. From time-to-time, any Party may change its notice address by so notifying the other Parties as provided above.

7. Liability. The Parties are all governmental entities under the Governmental Immunity Act of Utah, Utah Code Ann. § 63G-7-101, *et seq.* (the “Governmental Immunity Act”). Consistent with the terms of the Governmental Immunity Act, it is mutually agreed that each Party is responsible for its own wrongful or negligent acts which are committed by its agents, officials, or employees. No Party waives any defense otherwise available under the Governmental Immunity Act nor does any Party waive any limit of liability currently provided by the Governmental Immunity Act. Each Party agrees to notify the others of the receipt of any notice of claim under the Governmental Immunity Act for which one Party may have an obligation to defend, indemnify, and/or hold harmless another Party within thirty (30) days of receiving the notice of claim. Each Party also agrees to notify every other Party of any summons and/or complaint served upon the said Party, if a Party may have an obligation to defend, indemnify and/or hold harmless any other Party, at least ten (10) days before an answer or other response to the summons and/or complaint may be due.
8. Interlocal Cooperation Act. For the purpose of satisfying specific requirements of the Interlocal Cooperation Act, the Parties agree as follows:

- a. The Parties do not, nor intend to, create an interlocal entity by entering into this Agreement.
- b. Each Party has submitted this Agreement to an attorney authorized to represent the said Party for review as to proper form and compliance with applicable law.
- c. The duration of this Agreement is as set forth in Sections 4 and 5 above.
- d. Each Party shall be responsible for formulating and approving its annual budget and the District shall be responsible for budgeting for each infrastructure project that will be funded through one or more bonds issued by the District as provided in this Agreement.
- e. Each Party will acquire, hold, and dispose of its own real and personal property and there will be no jointly owned property upon the partial or complete termination of this Agreement. Notwithstanding the foregoing, however, upon completion of construction, the District will transfer ownership of infrastructure to the District Member having jurisdiction over the location where the infrastructure is located and, upon withdrawal from the District, infrastructure owned by the District that is located within the boundary of the Withdrawing Member will be transferred and conveyed to the Withdrawing Member.
- f. Inasmuch as each District Member is represented on the Board of Trustees of the District, to the extent necessary to administer the cooperative undertaking set forth in this Agreement, the Board of Trustees of the District shall have the full authority and responsibility to administer the cooperative undertaking on

behalf of the Parties and, to the extent that voting is required, voting shall be weighted as provided in Utah Code Ann. § 17B-2a-1106(3).

- g. Since this Agreement cannot take effect under the Interlocal Cooperation Act until it is approved, signed, and filed with the keeper of records of each of the Parties, each Party agrees, promptly upon its mutual execution and delivery, to file a copy of the signed Agreement with the keeper of records of the said Party.
- h. Notwithstanding anything herein to the contrary, in the event that this Agreement does not satisfy any requirement of the Interlocal Cooperation Act, which failure would cause this Agreement to fail to be effective under the Interlocal Cooperation Act, this Agreement shall nevertheless be fully binding upon and enforceable by the Parties pursuant to law outside of the application of the Interlocal Cooperation Act.

9. Applicable Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Utah and courts located in Salt Lake County, Utah shall have sole and exclusive jurisdiction over any dispute arising under this Agreement.

10. Integration. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

11. Waiver. No failure by any Party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such

or any other covenant, agreement, term or condition. Any Party may, by notice delivered in the manner provided in this Agreement, but shall be under no obligation to, waive any of its rights or any conditions to its obligations hereunder, or any duty, obligation or covenant of any other Party. No waiver shall affect or alter the remainder of this Agreement but each and every other covenant, agreement, term and condition hereof shall continue in full force and effect with respect to any other then existing or subsequently occurring breach.

12. Recitals. The recitals are an integral part of this Agreement and are included as part of this Agreement.
13. Amendment. The Parties may amend this Agreement by a writing signed by the Parties as provided in the Interlocal Cooperation Act. The amendment shall not be effective if it is not in writing or if it is not signed by all of the Parties.
14. No Agency. Agents, employees or representatives of each Party shall not be deemed to be agents, employees or representatives of any other Party.
15. Rights and Remedies. The rights and remedies of the Parties hereto shall not be mutually exclusive, and the exercise of one or more of the provisions of this Agreement shall not preclude the exercise of any other right or remedy.
  - a. MEDIATION. Claims, disputes, and other issues between the Parties, or any of them, arising out of or related to this Agreement which cannot otherwise be resolved by the affected Parties shall first be submitted to mediation as mutually agreed. Each affected Party shall be responsible to pay its equal share of the costs of the Mediator. In the event mediation is unsuccessful, the claim or dispute may be decided by litigation in the Third Judicial District Court of Salt Lake County,

Utah. During mediation and/or litigation of any such dispute, the Parties shall continue to perform as provided in this Agreement.

16. Titles and Captions. All section and subsection titles and captions in this Agreement are for convenience only. Such titles and captions shall not be deemed to be part of this Agreement and shall in no way define, limit, augment, extend or describe the scope, content or intent of any part or parts hereof
17. Pronouns and Plurals. Whenever the context may require, any pronoun used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns, pronouns and verbs shall include the plurals, and vice versa.
18. Time. Time is of the essence in this Agreement.
19. Survival. All agreements, covenants, representations and warranties contained herein shall survive the execution of this Agreement and shall continue in full force and effect throughout the term of this Agreement, irrespective of whether a District Member becomes a Withdrawing Member during the said term, and shall remain fully enforceable until all of the Bonds issued pursuant to this Agreement, including subsequently issued refunding bonds, have been paid in full.
20. Severability. In the event that any condition, covenant or other provision hereof is held to be invalid or void, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect any other covenant or condition herein contained. If such condition, covenant or other provision shall be deemed to be invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

21. Litigation Expenses. If any action, suit or proceeding is brought by any Party with respect to a matter or matters covered by this Agreement, each Party shall bear its own costs and expenses .

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which, together, shall constitute one and the same instrument. A signature delivered electronically shall be deemed to be an original.

Each Party hereby signs this Interlocal Cooperation Agreement on the date written by each Party on the signature pages attached hereto.

*[The balance of this page was left blank intentionally – Signature pages follow]*



**INTERLOCAL AGREEMENT -- SIGNATURE PAGE FOR THE DISTRICT**

**GREATER SALT LAKE MUNICIPAL  
SERVICES DISTRICT**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2021

*Approved as to Form and Legality:*

ATTORNEY FOR THE DISTRICT

By \_\_\_\_\_

Name: \_\_\_\_\_

**INTERLOCAL AGREEMENT -- SIGNATURE PAGES FOR DISTRICT MEMBERS**

**COPPERTON METRO TOWNSHIP**

By: \_\_\_\_\_  
Sean Clayton, Mayor

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Attorney representing Copperton Metro Township

**KEARNS METRO TOWNSHIP**

By: \_\_\_\_\_  
Kelly Bush, Mayor

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Attorney representing Kearns Metro Township

**WHITE CITY METRO TOWNSHIP**

By: \_\_\_\_\_  
Paulina Flint, Mayor

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Attorney representing White City Metro Township

**EMIGRATION CANYON METRO TOWNSHIP**

By: \_\_\_\_\_  
Joe Smolka, Mayor

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Attorney representing Emigration Canyon Metro Township

**MAGNA METRO TOWNSHIP**

By: \_\_\_\_\_  
Dan Peay, Mayor

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Attorney representing Magna Metro Township

**TOWN OF BRIGHTON**

By: \_\_\_\_\_  
Danial Knopp, Mayor

Date: \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_  
Attorney representing the Town of Brighton

**SALT LAKE COUNTY**

By: \_\_\_\_\_  
Mayor Jennifer Wilson or Designee

Date: \_\_\_\_\_

APPROVED AS TO FORM AND  
LEGALITY

By: \_\_\_\_\_  
Deputy District Attorney