

RESOLUTION NO. R2022 ____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AMENDED INTERLOCAL AGREEMENT AND AMENDED GOVERNING DOCUMENT, BY AND BETWEEN THE CITY OF SOUTH SALT LAKE AND THE DOWNTOWN EAST STREETCAR SEWER PUBLIC INFRASTRUCTURE DISTRICT

WHEREAS, pursuant to the Local District Act, Title 17B, Chapter 1, Utah Code Annotated 1953, and the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953, (the “Acts”) certain Petitioners previously requested the City to create the Downtown East Streetcar Sewer Public Infrastructure District (“District”) to assist in the financing, construction, and dedication to the City of a new public sewer line, holding tank, and pump station to service and benefit the properties within the newly formed District (the “Public Improvements”);

WHEREAS, at its regular meeting held on April 13, 2022, the South Salt Lake City Council approved a resolution creating the District and authorized the Mayor to sign the initial Governing Document and Interlocal Agreement;

WHEREAS, the initial Governing Document and Interlocal Agreement set the Maximum Debt Mill Levy at .003 per dollar of taxable value of taxable property in the District and the Total Debt Issuance at \$20,000,000;

WHEREAS, due to several economic factors the City Engineer’s estimate of costs for the Public Improvements has increased significantly;

WHEREAS, as a result of the increased estimate of costs the Maximum Debt Mill Levy and the Total Debt Issuance must be increased to .0035 and \$34,500,000 respectively in order to provide adequate financing for the costs of installing the Public Improvements;

WHEREAS, each of the Petitioners, through professional representation, have participated in negotiations with the City as to the terms of the governing document and interlocal agreement that must be amended;

WHEREAS, each of the Petitioners, as promoters of the District, consent to the terms and conditions of the Amended Governing Document attached hereto as Exhibit A;

WHEREAS, the Amended Interlocal Agreement is effective on the date specified in that amended agreement attached hereto as Exhibit B; and

WHEREAS, pursuant to the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, the City Council desires to authorize the Mayor to execute the amended Governing Document.

NOW, THEREFORE, Be It Resolved by the City Council of the City of South Salt Lake, Utah, as follows:

1. The Mayor is hereby authorized to execute the amended Governing Document attached hereto as Exhibit A and the amended Interlocal Agreement attached hereto as Exhibit B.

2. The District shall sign and record the fully executed amended Governing Document and amended Interlocal Agreement with the Salt Lake County recorder's office.

(SIGNATURES APPEAR ON NEXT PAGE)

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ADOPTED AND APPROVED by the City Council this __ day of August 2022.

BY THE CITY COUNCIL

Sharla Bynum, Council Chair

City Council Vote as Recorded:

Bynum	_____
Huff	_____
Mila	_____
Pinkney	_____
Siwik	_____
Thomas	_____
Williams	_____

ATTEST:

Ariel Andrus, City Recorder

APPROVED AS TO LEGAL FORM:

Joshua T. Collins, City Attorney

Exhibit A
Amended Governing Document

**AMENDED GOVERNING DOCUMENT
FOR
DOWNTOWN EAST STREETCAR SEWER
PUBLIC INFRASTRUCTURE DISTRICT**

SOUTH SALT LAKE CITY, UTAH

August 10, 2022

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LIST OF EXHIBITS

EXHIBIT A	Initial District Boundaries Legal Description
EXHIBIT B	Initial District Boundaries (shaded in red) and Annexation Area Boundaries (outlined in Blue) Maps
EXHIBIT C	Interlocal Agreement between the District and South Salt Lake City

I. INTRODUCTION

A. Purpose and Intent.

The Downtown East Streetcar Sewer Public Infrastructure District (“District”) is an independent unit of local government, separate and distinct from South Salt Lake City (“City”), and, except as may otherwise be provided for by State or local law, as limited by this Governing Document, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements and prohibitions of the Governing Document. It is intended that the District will provide specific sewer Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the District. The primary purpose of the District will be to finance the construction of these Public Improvements and then to transfer ownership of the Public Improvements to the City for the City’s operation and maintenance thereof. The District is not being created to provide any ongoing operations or maintenance services once dedication of the Public Improvements has been accepted by the City.

B. Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District 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 development or redevelopment within the District. Formation of the District is therefore necessary to effect the Public Improvements required for the Project in the most economic manner possible.

C. Objective of the City Regarding District’s Governing Document.

This Governing Document is an amended version of the governing document originally approved by the City, and is intended by the City and the District to supersede and replace any prior version of the District’s Governing Document.

The City’s objective in approving this amended 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. All Debt is expected to be repaid by property taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term and at a tax mill levy no higher than the Maximum Debt Mill Levy for all commercial and residential properties. Debt, which is issued within these parameters and as further described in the Financial Plan, shall be structured to ensure its timely and reasonable discharge by application of the proceeds of the authorized property taxes.

This Governing Document is intended to establish a limited purpose for the District and explicit financial constraints, both of which are not to be violated under any circumstance. The primary purpose in creating the District is to provide for the Public Improvements associated with development needs.

It is the intent of the City to create a District that dissolves upon payment or defeasance of all Debt authorized herein and incurred.

The District shall be authorized to finance the Public Improvements to be repaid from tax revenues collected from a mill levy, which shall not exceed the Maximum Debt Mill Levy on taxable properties and which shall not exceed the Maximum Debt Mill Levy Imposition Term on taxable properties, or from other revenues including PILOT revenue, or revenue available from reimbursements under the Interlocal Agreement. This Governing Document assures that no taxable property bears an economic burden that is greater than that associated with: 1) the Maximum Debt Mill Levy in amount; 2) that no taxable property bears 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; and that 3) all taxable property within the District is levied by the District at the same Mill Levy.

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 depicted in the Annexation Area Boundaries Map, which have been approved by the City for annexation into the District upon the meeting of certain requirements. The Annexation Area Boundaries are intended to reflect the boundaries of the Downtown District South Salt Lake MPMU Zone District (“Downtown District”) and the East Streetcar Neighborhood District Zone as reflected on the official zoning map of the City at the time of adoption of this Governing Document.

Annexation Area Boundaries Map: means the annexation area that is depicted as such on the map attached hereto as **Exhibit B**, which shows the property proposed for annexation within the District, upon the consent of each annexing property owner.

City Engineer Approved Construction Drawings: means a District submitted construction drawings approved by the City Engineer

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 South Salt Lake City, Utah.

City Code: means the City Code of South Salt Lake City, Utah.

City Council: means the City Council of South Salt Lake City, Utah.

District: means the Downtown East Streetcar Sewer Public Infrastructure District.

District Area: means the property within the Initial District Boundaries Map that is within the Initial District Boundaries and includes any annexation or withdrawal of properties pursuant to the provisions of this Governing Document.

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

Financial Plan: means the Financial Plan set forth in Section VIII which describes (i) the means whereby the Public Improvements may be financed; and (ii) how the Debt is expected to be incurred.

General Obligation Debt: means a Debt that is directly 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, which constrains the purpose, area, and authority of the District prior to the creation of the District and during the term of its existence and operation.

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

Initial District Boundaries: means the boundaries of the area described in **Exhibit A**.

Initial District Boundaries Map: means the initial district boundaries depicted as such on the map attached hereto as **Exhibit B**.

Limited Tax Debt: means a debt that is directly 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 as set forth in Section VIII.C 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 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.

PILOT: means payments in lieu of taxes.

PID Act: means Title 17D, Chapter 4 of the Utah Code, as amended from time to time and any successor statute thereto, to the extent such amendments or successor statutes do not conflict with the Governing Document.

Project: means the development of Public Improvements within the District.

Public Improvements: means the sewer line, holding tank, and pump station improvements authorized to be planned, designed, constructed, and installed; including any required property, easement, or right-of-way acquisition; and restoration of any private or public property (including public rights of way) that is disturbed by the construction; and pursuant to City-approved construction drawings for those projects herein, to be dedicated to the City to serve the current and future property owners, taxpayers and inhabitants of the District Area.

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 forty-four (44.638) acres and the total area proposed to be included in the Initial District Boundaries and the Annexation Area Boundaries is approximately two hundred forty (240) acres and includes all property that may be annexed into the District. A legal description or descriptions of the properties included in the Initial District Boundaries is attached hereto as **Exhibit A**. The Initial District Boundaries and Annexation Area Boundaries are depicted in the Map attached hereto as **Exhibit B**. It is anticipated that the District boundaries may change from time to time as it undergoes annexations and withdrawals pursuant to Section 17B-4-201, Utah Code, subject to the affected property owner's consent and Article V below.

IV. PROPOSED LAND USE /ASSESSED VALUATION

The District Area initially consists of approximately forty-four (44.638) acres of land in various uses and stages of development. The current assessed valuation of the initial District Area, at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan.

Approval of this Governing Document by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of

residential units or the total site/floor area of commercial or industrial buildings proposed by the property owners.

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 construct and dedicate the Public Improvements as approved by the City and defined herein, within and without the boundaries of the District as such power and authority is described in the Local District Act, and other applicable statutes, common law, and the Constitution, subject to the limitations set forth herein.

1. Operations and Maintenance Limitation. The purpose of the District is to plan for, design, construct, install, restore, and finance the Public Improvements. The District shall dedicate the Public Improvements to the City in a manner consistent with the City Engineer Approved Construction Drawings and other rules and regulations of the City and applicable provisions of the City Code, free of liens or encumbrances.

2. Improvements Limitation. Notwithstanding the provisions of Section V.A.1 above, nor any revision to state law, without prior written authorization of the City Council, the District shall not be authorized to finance the costs of any improvements or facilities that are to be ultimately owned by the District nor any improvements that are not Public Improvements, as that term is defined herein.

3. Construction Standards Limitation. The District will ensure that the Public Improvements are designed and constructed in accordance (in the following order of priority) with the standards and specifications of the City, the City Engineer-Approved Construction Drawings, and the standards and specifications of other governmental entities having proper jurisdiction. As a condition precedent to commencement of construction the District will obtain all City required permits, including access and rights of way permits, and such other applicable permits for construction and installation of Public Improvements.

4. Procurement; Bidding and Management of Project. The District shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. The District will contract with the City, and will reimburse the City for its services at a rate and amount agreed to by the City, to bid the Project and manage the Project on behalf of the District, to completion. Bids for the Project may be sought in advance of issuance of bonds by the District if in the reasonable judgment of the City and District such would contribute to the timely commencement of the Project. The District may appoint a District Representative, who shall have the right to attend all significant Project management and oversight meetings, to be copied on written or digital communications between the City's appointed manager and the third party engineers and contractors, and review all Project documents and plans, in order to advise and give feedback to the City's appointed Project manager prior to bidding until Public Improvements have been completed. The objective of such cooperation between the City's Project manager and the District Representative shall be to seek the most cost-effective solutions for design, material, and construction of the Project, subject to satisfaction of all minimum City construction standards.

5. 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.

6. 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 Council, after advice from and consultation with the City Attorney. The City, by resolution and this Governing Document, has consented to the annexation of any area within the Annexation Area Boundaries into the District. Such area may only be annexed upon the District obtaining consent of all property owners and registered voters, if any, within the area proposed to be annexed and the passage of a resolution of the Board approving such annexation.

(b) The City, by resolution and this Governing Document, has consented to the withdrawal of any area within the District Boundaries 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, the passage of a resolution of the Board approving such annexation, and the consent of any bondholders relying on the *ad valorem* property tax assessed by the District for the area subject to withdrawal.

(c) In addition to the terms of this Governing Document, 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 and the Lieutenant Governor a description of the revised District Boundaries.

(e) Annexation or withdrawal of any area in accordance with V.A.6(a) through (c) shall not constitute an amendment of this Governing Document.

7. Overlap Limitation. The District shall not impose an aggregate mill levy that exceeds the Maximum Debt Mill Levy of the District for any property within the District. The District shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area, unless the City Council has approved the organization of the other public infrastructure district. The District shall consent to the organization of another

public infrastructure district organized under the PID Act within the District Area, if the City Council has approved the organization of the other public infrastructure district.

8. Initial Debt Limitation. On or before the effective date of approval by the City of a City Engineer Approved Construction Drawings, 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 levy or assessment used for the purpose of repayment of Debt.

9. Total Debt Issuance Limitation. The District shall not issue Debt in excess of an aggregate amount of Thirty-four Million Five Hundred Thousand Dollars (\$34,500,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the District.

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

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

(b) Are, together with all other requirements of Utah law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C.) Section 903, and are also included in the “regulatory or electoral approval necessary under applicable 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 void ab initio.

11. Governing Document Amendment Requirement. Subject to the limitations and exceptions contained herein, this Governing Document may be amended after proper public notice and upon advice of and consultation with the City Attorney, by passage of resolutions both of the City Council, signed by the Mayor, and the District approving such amendment.

12. Public Improvement Completion Deadline. The District shall ensure that the Public Improvements are completed and dedicated on or before December 31, 2026.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, construction, installation, restoration, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in City Engineer Approved Construction Drawings. An estimate of the costs of the Public Improvements that may be planned for, designed, acquired, constructed, installed, restored, or financed was prepared based upon a preliminary

engineering survey and estimates derived from the zoning on the property in the District Area and is approximately Twenty-three Million Dollars (\$23,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements will meet City Standards and City Engineer Approved Construction Drawings. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

The District shall satisfy any City requirements for guaranty of performance of infrastructure completion and the required warranty post-completion thereof by delivering to the City documentation evidencing the funds available to the District for such Public Improvements as a result of the Debt issued by the District.

VI. THE BOARD OF TRUSTEES

A. Board Composition. The Board shall be composed of eleven (11) Trustees who shall be appointed by the City Council pursuant to the PID Act. Trustees 1 through 11 shall initially be at large. Trustee terms shall be staggered with initial terms as follows: Trustees 1 through 6 shall serve an initial term of six (6) years; Trustees 7 through 11 shall serve an initial term of four (4) years. All subsequent Trustee terms after the initial terms will be four (4) years each. All terms shall commence on the date of issuance of a certificate of creation by the Office of the Lieutenant Governor of the State of Utah. In accordance with the PID Act, appointed Trustees shall not be required to be residents of the District.

B. Transition to Elected Board. Respective board seats shall transition from appointed to elected seats according to the following milestones:

1. Trustees 1-4. Trustees 1-4 shall transition to an elected seat upon 1000 registered voters residing within the District.

2. Trustees 5-8. Trustees 5-8 shall transition to an elected seat upon 1750 registered voters residing within the District.

3. Trustees 9-11. Trustees 9-11 shall transition to an elected seat upon 2500 registered voters residing within the District.

Notwithstanding the foregoing, any board seats that have not yet transitioned to an elected seat shall transition when two full terms have passed from the date of issuance of a certificate of creation for the District. All elected Trustees shall serve at large and the District shall not be divided into divisions. No transition pursuant to this Section shall become effective until the next scheduled regular election of the District. Registered voters within this Section shall mean voters whose “principal place of residence,” as that term is defined under Utah Code 20A-2-105(1)(a), is within the District.

C. Reelection and Reappointment. Upon the expiration of a Trustee’s respective term, any seat that 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 by City Council appointment.

D. Vacancy. Any mid-term vacancy on the Board shall be filled pursuant to the Local District 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 comply with all requirements of the Utah Public Officers' and Employees' Ethics Act, Utah Code Title 67, Chapter 16 (the "Ethics Act"), except that a trustee shall not be in violation of Utah Code § 67-16-9 provided the trustee makes the disclosures required by § 17D-4-202 (9). Any Trustee who makes the required disclosures shall still be entitled to vote on such matters unless such a vote would be a violation of the Ethics Act. Trustees shall comply with all requirements of the Municipal Officers' and Employees' Ethics Act, Utah Code Title 10, Chapter 3, Part 13 as if the Trustees were municipal officers or employees.

VII. DISTRICT IMPROVEMENTS

The District shall be authorized to provide for the planning, design, construction, installation, and restoration of the Public Improvements.

VIII. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, and restoration of the Public Improvements by and through the proceeds of Debt to be issued by the District. 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, and other revenues including PILOT revenue, or revenue available from reimbursements under the Interlocal Agreement. The total Debt that the District shall be permitted to issue shall not exceed Thirty-four Million Five Hundred Thousand Dollars (\$34,500,000) and shall be permitted to be issued on a schedule and in such year or years as the District determines 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 District shall not count against the permitted total Debt, so long as the refunding results in net present value savings on the Debt. All bonds and other Debt issued by the District may be payable from general *ad valorem* taxes to be imposed upon all Taxable Property within the District. The District may not rely upon any other revenue sources authorized by law.

B. Maximum 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 eight percent (8%) on any senior bond and ten percent (10%) on any subordinate bond. The proposed maximum underwriting discount will be three percent (3%). Debt, when issued, will

comply with all relevant requirements of this Governing Document, State law and Federal law as then applicable to the issuance of public securities.

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 and shall be 0.0035 per dollar of taxable value of taxable property in the District. Such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code or any amendment to the PID Act. Such Maximum Debt Mill Levy may also be used to pay GAO qualified administrative expenses of the District.

D. Maximum Debt Mill Levy Imposition Term.

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

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, including but not limited to PILOT revenue, or revenue available from reimbursements pursuant to the Interlocal Agreement with the City. 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.

F. Debt Instrument Disclosure Requirement.

In the text of each 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 of the District authorizing the issuance of this Bond and in the Governing Document for creation of the District.

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

G. Security for Debt.

The District shall not pledge any revenue or property of the City, including the Public Improvements to be dedicated to the City, as security for the indebtedness set forth in this Governing Document. Approval of this Governing Document shall not be construed as a guarantee by the City of payment of any of the 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 administrative operating budget is estimated to be approximately seventy-five Thousand Dollars (\$75,000), which is anticipated to be borne by consenting owner(s) within the District until such time a reimbursement can be derived from property taxes pursuant to a reimbursement agreement between the District and consenting owners.

I. Bond and Disclosure Counsel.

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 Gilmore & Bell, P.C., as bond and disclosure counsel with respect to District Bonds.

IX. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the City Manager's Office no later than 30 days following the end of the District's fiscal 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 City upon request);
3. Names, contact information, and terms of Board members and officers;

4. Progress towards milestones required for transition to elected Board;
5. District office location and contact information;
6. Rules and regulations of the District regarding bidding, conflict of interest, contracting, and other governance matters, if changed;
7. A summary of any litigation that involves the District as of the last day of the prior fiscal year;
8. Status of the District's construction of the Public Improvements as of last day of the prior fiscal year and listing all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of the last day of the prior fiscal year;
9. A table summarizing total debt authorized and total debt issued by the District as well as any presently planned debt issuances;
10. Official statements of current outstanding bonded indebtedness, if not previously provided to the City;
11. Current year budget including a description of the Public Improvements to be constructed in such year;
12. The District's financial statements, for the previous fiscal year, such statements shall be audited if required pursuant to State law or relevant bond documents (such statements shall be submitted within 30 days of completion if completed after 180 days following the end of the fiscal year);
13. Notice of any uncured events of default by the District, which continue beyond a 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 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 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.

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 Salt Lake County. Such notice shall (a) contain a description of the 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 filled with the City.

In addition, the Board shall ensure that the owners, 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 XI;
- (2) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

“Under the maximum property tax rate of the District, **for every \$100,000 of taxable value**, there would be an **additional annual property tax of \$350** 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 required by the City Code, relating to the limitations imposed on the District’s activities, is attached hereto as **Exhibit C**. The District shall approve the Interlocal Agreement in the form attached as **Exhibit C** at its first Board meeting after its organization. Failure of the District to execute the Interlocal Agreement within thirty (30) days of the initial meeting of the District board of trustees as required herein shall constitute a material modification and shall result in the automatic dissolution of the District. The City Council shall approve the Interlocal Agreement in the form attached as **Exhibit C** at the public hearing approving the Governing Document.

Cherie Wood, Mayor

ATTEST:

Ariel Andrus, City Recorder

EXHIBIT A

Initial District Boundaries Legal Description

(Note: Tract designations correspond to the District's approved Final Local Entity Plat.)

A Public Infrastructure District containing twenty (20) noncontiguous tracts of land in the Northwest Quarter of Section 19, Township 1 South Range 1 East and the Northeast and Northwest Quarters of Section 24, Township 1 South Range 1 West, Salt Lake Base and Meridian and in Blocks 39 thru 42 of the 10 Acre Plat "A" Big Field Survey. Said noncontiguous tracts are described as follows:

Tract A: as disclosed in that Special Warranty Deed recorded on September 16, 2019 as Entry No. 13074890 in the office of the Salt Lake County Recorder.

15-24-176-006: A part of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian. Beginning at a point on the common boundary line of the Denver and Rio Grande Western Railroad South right-of-way line and the North line of Timesquare Industrial Park, North 0°04'30" West 3512.11 feet along the center line of 300 West Street and North 89°54'07" West 662.0 feet from a Salt Lake County Surveyor's Monument at 2700 South and 300 West, (said monument being located North 513.96 feet and East 2973.175 feet from the Southwest corner of said Section 24); and running thence South 0°04'30" East along the East line of Bearcat Drive, 193.49 feet to the point of curvature of a 25 foot radius curve left; thence along the arc of said curve, left 39.19 feet (long chord bears South 44°59'18" East 35.30 feet); thence South 89°54'07" East, along the North line of Bugatti Street, 240.0 feet, thence North 0°04'30" West 218.42 feet to said common boundary line; thence North 89°54'07" West along said common boundary, 264.93 feet to the point of beginning.

Together with 1/2 vacated portion of Bearcat Drive abutting the West, as set forth in that street vacation plat recorded July 22, 2009, as Entry No. 10759742, in Book 9748, at Page 448.

Less and excepting a parcel of land in fee. for the "West Valley Light Rail Transit", a Utah Transit Authority Project, being part situate in the E1/2NW1/4 of Section 24, T. 1S., R. 1 W., SLB&M, the boundaries of said of land are described as follows:

Beginning at a point on the common boundary line of the Denver and Rio Grande Western Railroad South right-of-way line and the North line of Timesquare Industrial Park, N.00°04'30"W. 3512.11 feet along the center line of 300 West Street and N89°54'07"W. 662.00 feet from the Salt Lake County Surveyor's Monument at 2700 South and 300 West, (said monument being located North 513.96 feet and East 2973.175 feet and S.89°54'17"E. 264.93 feet from the Southwest corner of said Section 24); thence S.00°04'30"E. 100.05 feet, thence N.89°55'59"W. 67.38 feet; thence N.00°05'53"E. 100.08 feet; thence S.89°54'07"E. 67.08 feet to the point of beginning.

15-24-177-010: Beginning on the Easterly right-of-way line of a State Highway at a point which is North $0^{\circ}04'30''$ West along the 300 West street Monument line 3,512.11 feet and North $89^{\circ}54'07''$ West parallel with and 12.00 feet perpendicularly distant Southerly from the centerline of the Denver and Rio Grande Western Railroad, a distance of 897.21 feet from the County Surveyor's Monument at the intersection of 2700 South Street and 300 West Street, said monument being located 513.96 feet North and 2,973.175 feet East of the Southwest corner of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian; thence South $3^{\circ}33'41''$ East along said State Highway right-of-way line 965.67 feet; thence North $71^{\circ}15'$ East 146.30 feet to a point on the Westerly line of Bearcat Drive, said point being on the arc of a 230.00 foot radius curve the center of which bears North $71^{\circ}15'$ East; thence Northerly along said West Street line and the arc of said curve to the right through a central angle of $18^{\circ}40'30''$, a distance of 74.97 feet: thence North $0^{\circ}04'30''$ West along said West Street line 842.83 feet; thence North $89^{\circ}54'07''$ West 185.21 feet to the point of beginning.

Together with 1/2 vacated portion of Bearcat Drive abutting the North 218.42 feet of the East boundary, as set forth in that street vacation plat recorded July 22, 2009, as Entry No. 10759742, in Book 9748, at Page 448.

Less and excepting therefrom any portion lying within the bounds of that property taken by UDOT by virtue of that Final Judgment of Condemnation recorded December 14, 2006 as Entry No 9939454, in Book 9394, at Page 3829 of Official Records and being more particularly described as follows:

A parcel of land in fee for the reconstruction of a freeway known as Project No. 15-7, being part of an entire tract of property situate in the SE1/4NW1/4 of Section 24, T. 1 S., R. 1 W., SLB&M. The boundary of said parcel of land described as follows: Beginning at a point on the existing Northeasterly no-access and right of way line of a State Highway, said point being 682.557 meters (2239.36 feet) [actual measured distance being 682.055 meters, being 2237.71 feet] North $0^{\circ}4'30''$ West along the monument line and 102.093 meters (334.95 feet) North $88^{\circ}03'41''$ West from a monument at the intersection of 2700 South and 300 West Streets (said monument being 906.224 meters (2,973.175 feet) East and 156.655 meters (513.96 feet) North from the Southwest corner of said Section 24), running Westerly 87.377 meters (286.67 feet) along the arc of a 215.344 meter (706.51 foot) radius curve to the right and along said existing Northeasterly no-access and right of way line of a State Highway (Note: chord to said curve bears North $76^{\circ}26'14''$ West for a distance of 86.779 meters (284.71 feet)); to a point of compound curvature with a 144.158 meter (472.96 foot) radius curve to the right Northwesterly 99.941 meters (327.89 feet) along the arc of said curve and along said existing Northeasterly no-access and right of way line of a State Highway (Note: chord to said curve bears North $44^{\circ}57'09''$ West for a distance of 97.952 meters (321.36 feet)); thence North $03^{\circ}33'41''$ West 12.900 meters (43.32 feet) along the Easterly no access and right of way line of a freeway; thence North $88^{\circ}43'24''$ East 6.148 meters (20.17 feet): thence Southeasterly 99.706 meters (327.12 feet) along the arc of a 180.330 meters (591.63 foot) radius non tangent curve to the left (Note: chord of said curve bears South $42^{\circ}57'08''$ East for a distance of 98.440 meters (322.97 feet)); thence South $23^{\circ}57'49''$ West 10.484 meters (34.40 feet); thence South $66^{\circ}02'11''$ East 6.096 meters (20.00 feet); North $23^{\circ}57'49''$ East 9.814 meters (32.20 feet); thence Southeasterly 21.854 meters (71.70

feet) along the arc of a 180.330 meter (591.63 foot) radius non tangent curve to the left (Note: chord of said curve bears South 64°12'44" East for a distance of 21.841 meters (71.66 feet)); thence South 16°03'17" West 4.973 meters (16.32 feet); thence Easterly 59.315 meters (194.60 feet) along the arc of a 185.274 meter (607.86 foot) radius non tangent curve to the left (Note: chord of said curve bears South 77°01'24" East for a distance of 59.062 meters (193.77 feet)); to the point of beginning.

15-24-251-002 &-003 &-005-4001 & -005-4002: Beginning at a point which is North 513.96 feet and East 2973.175 feet and North 0°04'30" West 293.175 feet and South 89°55'30" West 47 feet from the Southwest corner of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89°55'30" West 20 feet; thence Westerly and Northerly along a curve to the right 23.56 feet; thence North 0°04'30" West 278.1 feet; thence Northerly and Westerly along a curve to the left 109.75 feet; thence North 89°54'07" West 245.29 feet; thence North 0°04'30" West 218.45 feet; thence South 89°54'07" East 350.07 feet; thence South 0°04'30" East 581.24 feet to the point of beginning.

Less and Excepting that portion lying outside the Salt Lake County Water Conservancy District.

Also, less and excepting a parcel of land in fee, for the "West Valley Light Rail Transit", a Utah Transit Authority Project, being part situate in the W1/2NW1/4 of Section 24. T. 1 S., R. 1 W., SLB&M, the boundaries of said of land are described as follows:

Beginning at a point which is North 513.96 feet and thence East 2,973.18 feet and N.00°04'30"W. 2,931.18 feet and thence S.89°55'30"W. 47.00 feet and N.00°04'30"W. 581.24 feet from the Southwest corner of said Section 24; thence S.00°04'30"E. 10.00 feet; thence N.89°54'07"E. 23.00 feet; thence N.00°04'30"W. 10.00 feet, thence S.89°54'07"E. 23.00 feet to the point of beginning.

Tract B: as disclosed in that Special Warranty Deed recorded on September 16, 2019 as Entry No. 13074890 in the office of the Salt Lake County Recorder.

15-24-178-001: A part of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian.

Beginning at a point on the South line of Bugatti Street said point being North 0°04'00" West 3,243.64 feet and North 89°54'07" West 409.44 feet from a County Surveyor's Monument at the intersection of 2700 South and 300 West Street (said monument being located 513.96 feet North and 2,973.175 feet East from the Southwest corner of said Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian), and running thence North 89°54'07" West, along the said South line of Bugatti Street, 227.49 feet to the point of curvature of a 25 foot radius curve left; thence along the arc of said 25 foot radius curve left, 39.24 feet (center of curve bears South 0°04'30" West and the long chord bears South 45°06'32" West 35.335 feet); thence South 0°04'30" East along the East line of Bearcat Drive, 344.95 feet; thence South 89°54'07" East 155.0 feet; thence North 0°04'30" West 202.49 feet; thence South 89°54'07" East 97.56 feet; thence North 0°04'30" West 167.44 feet to the point of beginning.

15-24-178-002 & 15-24-252-003: Beginning at a point which is North 0°04'30" West 2,489.87 feet and West 457.88 feet from the County Surveyor's Monument located 513.96 feet North and 2,973.175 feet East of the Southwest corner of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence North 0°04'30" West 151.04 feet; thence North 89°54'07" West 49.10 feet; thence North 0°04'30" West 208.59 feet; thence North 89°54'07" West 155 feet; thence North 0°04'30" West 25 feet; thence South 89°54'07" East 155 feet; thence North 0°04'30" West 202.49 feet; thence South 89°54'07" East 97.56 feet; thence North 0°04'30" West 167.44 feet; thence South 89°54'07" East 25.00 feet, thence South 0°04'30" East 167.44 feet; thence South 89°54'07" East 252.44 feet; thence South 0°04'30" East 25 feet; thence North 89°54'07" West 350 feet; thence South 0°04'30" East 386.085 feet; thence South 85°54'07" East 49.10 feet; thence South 0°04'30" East 176.845 feet; thence North 88°03'41" West 25.01 feet to the point of beginning.

15-24-178-004: Beginning at a point North 0°04'30" West 2764.279 feet and North 89°54'07" West 312.109 feet from a County Surveyor's Monument located at the intersection of 2700 South and 300 West Streets (said monument being located 513.96 feet North and 2973.175 feet East from the Southwest corner of Section 24, Township 1 South, Range 1 West, Salt Lake Meridian); and running thence North 0°04'30" West 286.925 feet; thence North 89°54'07" West 170.00 feet; thence South 0°04'30" East 286.925 feet; thence South 89°54'07" East 170.00 feet to the point of beginning.

15-24-252-001 & -002: A part of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian.

Beginning at a point on the West line of Mercer Way, lying North 0°04'30" West 3,224.10 feet and South 89°55'30" West 132.00 feet from a County Surveyor's Monument located at the intersection 2700 South and 300 West Streets, (said monument being located 513.96 feet North and 2,973.175 feet East from the Southwest corner of said Section 24), and running thence South 0°04'30" East along the said West line of Mercer Way, 147.50 feet; thence North 89°54'07" West 252.44 feet; thence North 0°04'30" West 167.44 feet to the South line of Bugatti Street; thence South 89°54'07" East along the said South line 232.50 feet to the point of curvature of a 20 foot radius curve to the right; thence along the arc of said curve, right 31.355 feet, (the long chord bears South 44°59'24" East 28.24 feet) to the point of beginning.

15-24-252-004 & -005: Beginning at a point which is North 513.96 feet and East 2973.175 feet and North 0°04'30" West 2764.39 feet and North 89°54'07" West 132 feet from the Southwest corner of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence North 0°04'30" West 286.925 feet; thence North 89°54'07" West 155 feet, thence South 0°04'30" East 286.925 feet; thence South 89°54'07" East 155 feet to the point of beginning.

15-24-252-006 & 15-24-252-007: Beginning at a point which is North 0°04'30" West 2739.28 feet and North 89°54'07" West 132.02 feet from the County Surveyor's Monument, said monument being located 513.96 feet North and 2973.175 feet East from the Southwest corner of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence

North 89°54'07" West 350 feet; thence North 0°04'30" West 25 feet; thence South 89°54'07" East 170 feet; thence North 0°04'30" West 286.925 feet; thence South 89°54'07" East 25 feet; thence South 0°04'30" East 286.925 feet; thence South 89°54'07" East 155 feet; thence South 0°04'30" East 25 feet to the point of beginning.

Tract C: as disclosed in that Special Warranty Deed recorded on February 11, 2022 as Entry No. 13889849 in the office of the Salt Lake County Recorder.

All of Lots 6, 7, and 8 and parts of Lots 1, 2, 3, 4, and 5 in Block 3, Rural Subdivision located in Block 39, Ten Acre Plat "A", Big Field Survey and being more particularly described as follows:

Beginning at the Southeast corner of the intersection of Utopia Avenue (formerly Grass Street) and 300 West Street, which point is North 89°57'05" East 14.00 feet from the Northwest corner of Lot 5, Block 3 of said Rural Subdivision and said point of beginning is also South 00°07'08" West 639.52 feet and North 89°57'05" East 33.23 feet from a Salt Lake City Monument in the intersection of 2100 South and 300 West Streets, and running thence North 89°57'05" East along the South side of Utopia Avenue and the North line of Lots 5, 6, 7, and 8 of said Block 3, 697.12 feet to the Northeast corner of Lot 8; thence South 00°04'30" East along the East line of Lots 8 and 1 of said Block 3, 471.85 feet to a point 24.50 feet North at right angles from the main track of the Sugarhouse Spur of the Denver and Rio Grande Western Railroad; thence North 89°52'25" West parallel with and 24.50 feet Northerly at right angles from said centerline of Spur Track, 697.12 feet to the East line of 300 West Street; thence North 00°04'30" West along said East line 469.69 feet to the point of beginning.

Less and excepting that portion as described in the certain Special Warranty Deed which recorded July 28, 2009 as Entry No. 10763485 in Book 9749 at Page 6205 on file and of record in the office of the Salt Lake County Recorder, State of Utah.

A parcel of land in fee, for the "West Valley Light Rail Transit" a Utah Transit Authority Project, being situate in the NW1/4NE1/4 Section 24, T.1S., R.1W., SLB&M. The boundaries of said parcel of land are described as follows:

Beginning at the southeast corner of the grantor's property, said point being 14.00 feet N.89°57'05"E. and 697.12 feet N.89°57'05"E. and 471.85 feet S.00°04'30"E. from the Northwest corner of Lot 5, Block 3 of said Rural Subdivision and said point of beginning is also S.00°07'08"W. 639.52 feet and N.89°57'05"E. 33.23 feet and 697.12 feet N.89°57'05"E. and 471.85 feet S.00°04'30"E. from a Salt Lake City Monument in the intersection of 2100 South and 300 West Streets; thence N.89°52'25"W. 75.33 feet; thence N.00°04'30"W. 29.00 feet; thence S.89°52'25"E. 75.33 feet; thence S.00°04'30"E. 29.00 feet to the point of beginning.

Tract D: as disclosed in that Warranty Deed recorded on August 25, 2011 as Entry No. 11233400 in the office of the Salt Lake County Recorder.

Beginning at a point 14 feet East of the Northwest corner of Lot 5, Block 39, Ten Acre Plat "A", Big Field Survey; running thence South 125 feet; thence East 16.0 feet; thence South 80°32' East 30.41 feet; thence East 541.31 feet; thence North 64°41' East 75.99 feet; thence East 25.0 feet; thence South 27.50 feet; thence East 20.20 feet; thence North 125.0 feet; thence West 701.23 feet to the point of beginning.

Tract E: disclosed as Parcels 6 and 7 in that Special Warranty Deed recorded on April 20, 2016 as Entry No. 12263608 in the office of the Salt Lake County Recorder.

15-24-227-025: The East 100.13 feet of Lot 1, Block 1, Roseland Addition.

15-24-227-024: Beginning at the Northeast corner of Lot 3, Block 1, Roseland Addition; and running thence South 50 feet; thence West 100.13 feet; thence North 34.6 feet; thence North 59°19' West 30.2 feet; thence East 126.13 feet to the point of beginning.

Tract F: Disclosed as parcels 1 through 8 in that Special Warranty Deed recorded on December 23, 2021 as Entry No. 13854760, and that Ordinance No. 2021-19 recorded January 24, 2022 as Entry No. 13875812 in the office of the Salt Lake County Recorder.

Beginning at the Northeast Corner of Lot 11, Block 39, Ten Acre Plat "A", Big Field Survey; and running thence South 125.00 feet; thence West 130.00 feet; thence South 162.10 feet; thence West 200.00 feet; thence North 287.10 feet; thence East 330.00 feet to the point of beginning.

Tract G: disclosed as parcels 8 and 10 in that Special Warranty Deed recorded on April, 20 2016 as Entry No. 12263608 in the office of the Salt Lake County Recorder.

All of Lots 1, 2, 3, 4, 5, and 6, Block 5, South Boulevard Addition, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder.

Tract H: as disclosed in those Warranty Deeds recorded on February 4, 2020 as Entry No. 13186016 and on January 7, 2020 as Entry No. 13164680 in the office of the Salt Lake County Recorder.

The South 1/2 of Lot 38 and all of Lots 39, 40, 41, and 42, Block 5, South Boulevard Addition, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder.

Tract I: as disclosed in that Warranty Deed recorded on March 18, 2015 as Entry No. 12012933 in the office of the Salt Lake County Recorder

15-24-234-020: Lots 34, 35, & 36, Block 4, South Boulevard, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder, together with 1/2 vacated alley abutting on the West.

15-24-234-021: Lots 37, 38 & 39, Block 4, South Boulevard, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder, together with 1/2 vacated alley abutting on the West.

Tract J: disclosed as parcels 1 through 5 in that Warranty Deed recorded on February 20, 2015 as Entry No. 11996059 in the office of the Salt Lake County Recorder

15-24-235-012: Lots 1 & 2, Block 3, South Boulevard, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder. Also commencing at the Northeast corner of said Lot 2, East 17 feet, South 52 feet, West 17 feet, North 52 feet to beginning.

15-24-235-011: Lots 3 & 4, Block 3, South Boulevard, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder, and commencing at the Northeast corner of said Lot 4, East 17 feet, South 50 feet, West 17 feet, North 50 feet to beginning.

15-24-235-010: Lot 5, Block 3, South Boulevard, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder and commencing at the Southeast corner of said Lot 5, North 25 feet, East 17 feet, South 25 feet, West 17 feet to beginning.

15-24-235-009: Lot 6, Block 3, South Boulevard, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder, and commencing at the Southeast corner of said Lot 6, North 25 feet, East 17 feet, South 25 feet, West 17 feet to beginning.

15-24-235-008: Lot 7 and the South 1/2 of Lot 8, Block 3, South Boulevard, according to the official plat thereof on file and of record in the office of the Salt Lake County Recorder, and commencing 111 feet West from the Southeast corner of Lot 36, said Block 3, North 37.5 feet, West 24 feet, South 37.5 feet, East 24 feet to beginning. Less street.

Tract K: as disclosed in that Warranty Deed recorded on January 6, 2021 as Entry No. 13523948 and depicted in the Mill Subdivision Plat, recorded on January 25, 2021 as Entry No. 13542045 in the office of the Salt Lake County Recorder.

All of Lot 1, said Mill Subdivision Plat.

Also Beginning at a point on the East line of West Temple, 186 feet North 00°00'38" East from the Southwest corner of Lot 8, Block 40, Ten Acre Plat "A", Big Field Survey and running thence North 00°00'38" East 138 feet; thence North 89°49'29" East 160 feet; thence South 00°00'38" West 138 feet to street right of way line; thence South 89°49'29" West 160 feet to the point of beginning.

Tract L: as depicted in the Mill Subdivision Plat, recorded on January 25, 2021 as Entry No. 13542045 in the office of the Salt Lake County Recorder.

All of Lot 4, said Mill Subdivision Plat.

Tract M: as disclosed in that Special Warranty Deed recorded on April 1, 2019 as Entry No. 12959557 in the office of the Salt Lake County Recorder.

Being a portion of Lot 8, Block 40, Ten Acre Plat "A", Big Field Survey and also being a portion of the East Half of the Northeast Quarter of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian, Utah, and being described as follows:

Commencing at the Southeast corner of said Lot 8; thence South 89°49'29" West, along the Southerly line of said Lot 8, 40.00 feet to the Westerly line of Main Street; thence North 00°03'06" East, along the Westerly line of said Main Street, 66.00 feet to the point of beginning, said point also being the Northerly line of the D&RGW Railroad; thence continuing along the Westerly line of said Main Street North 00°03'06" East 80.00 feet to the Southerly line of Bowers Way; thence South 89°49'29" West, along the Southerly line of said Bowers Way, 254.94 feet to the Northerly prolongation of a fence line; thence South 00°27'34" East, along the Northerly prolongation and said fence line, 80.00 feet to the Northerly line of said railroad; thence North 89°49'29" East, along said Northerly line of said railroad, 254.23 feet to the point of beginning.

Tract N: as disclosed in those Warranty Deeds recorded on February 7, 2019 as Entry No. 12930022, on January 6, 2021 as Entry No. 13523971 and on January 6, 2021 as Entry No. 13523972 in the office of the Salt Lake County Recorder.

Beginning at a point on the Westerly Right-of-Way Line of Main Street, said point being South 00°06'11" West 2078.42 feet and North 89°49'46" East 748.15 feet from the street monument at the intersection of Hartwell Avenue and West Temple Street, said point also being South 89°49'46" West 40.00 feet from the Northeast corner of Lot 7, Block 40, Ten Acre Plat "A" Big Field Survey; and running thence South 00°03'06" West 184.63 feet along said Westerly Right-of-Way Line of Main Street to the North Line of Senior Way; thence South 89°51'43" West 505.46 feet along said North Line of Senior Way; thence North 00°03'20" East 133.71 feet; thence South 89°56'40" East 5.00 feet; thence North 00°03'20" East 50.65 feet to the Southerly

Line of the Railroad property; thence North 89°49'46" East 500.45 feet along said Southerly Line of the Railroad property to the point of beginning.

Tract O: as disclosed in those Warranty Deeds recorded on September 24, 2020 as Entry No. 13404255 and on September 30, 2020 as Entry No. 13412404 in the office of the Salt Lake County Recorder.

Being a portion of Lot 7, Block 40, Ten Acre Plat "A", Big Field Survey and also being a portion of the East half of the Northeast Quarter of Section 24, Township 1 South, Range 1 West, Salt Lake Base and Meridian and being described as follows:

Commencing at the Southwest corner of Lot 7; thence South 89°51'26" West along the Southerly line of said Lot 7, 40.00 feet to the Westerly line of Main Street; thence North 00°03'06" East, along the Westerly line of said Main Street, 170.00 feet to the point of beginning; thence continuing along the Westerly line of said Main Street North 00°03'06" East 180.00 feet to the Southerly line of Senior Way; thence South 89°51'26" West, along the Southerly line of said Senior Way, 200.06 feet; thence South 00°03'06" West, parallel to the West line of said Main Street, 180.00 feet; thence North 89°51'26" East, parallel to the South line of said Lot 7, 200.06 feet to the point of beginning.

Tract P: as disclosed in those Special Warranty Deeds recorded on January 7, 2022 as Entry No. 13864992 and on January 27, 2022 as Entry No. 13878013 in the office of the Salt Lake County Recorder.

All of Lots 30 to 33 of Block 3, Burton Place, together with 1/2 vacated alley abutting on the East of Lot 30 and also together with 1/2 vacated alley abutting on the west of the North 37 feet of Lot 29; all of Lots 72 to 82 of Block 3, Burton Place; and the West 13.55 feet of Lot 83 of Block 3, Burton Place.

Also Beginning at a point being 13.62 feet East from Northwest corner of Lot 26, Block 3, Burton Place; thence Southeasterly 37 feet; thence West 89.25 feet; thence North 37 feet; thence East 89.22 feet to the point of beginning.

Also Commencing 35.6 feet North and 13.70 feet East of the Southwest Corner of Lot 26, Block 3, Burton Place; thence Northwesterly 38.0 feet; thence West 89.25 feet; thence South 38.0 feet; thence East 89.29 feet to the point of beginning; together with 1/2 vacated alley abutting the above 38.0 feet of Lot 29.

Also Commencing 13.70 feet East from the Southwest Corner of Lot 26, Block 3, Burton Place Subdivision; thence Northwesterly 35.6 feet; thence West 89.28 feet; thence South 35.6 feet; thence East 89.3 feet to the point of beginning; together with 1/2 of vacated alley abutting on West of the South 35.6 feet of Lot 29, Block 3, Burton Place Subdivision.

Tract Q: as disclosed in that Special Warranty Deed recorded on December 13, 2021 as Entry No. 13845895 in the office of the Salt Lake County Recorder.

All of Lot 5, Crossing at South Salt Lake Subdivision, recorded December 4, 2015 as Entry No. 1218735 in the office of the Salt Lake County Recorder.

Tract R: as disclosed in that Special Warranty Deed recorded on September 30, 2021 as Entry No. 13786965 in the office of the Salt Lake County Recorder.

Beginning at a point which lies South 89°52'00" West 33.00 feet from the Northeast corner of Lot 12, Block 40, Ten Acre Plat "A", Big Field Survey as recorded in the Salt Lake County, Utah Recorder's office, (said point of beginning also lies on the West line of State Street) and running thence South 00°05'00" West 419.92 feet along said West line to the North line of Haven Lane (also known as Haven Avenue in some instruments of record); thence South 89°52'00" West 511.50 feet along said North line; thence North 00°03'34" East 164.40 feet; thence North 89°52'00" East 17.09 feet; thence North 00°03'34" East 99.75 feet, more or less; thence South 89°52'00" West 193.00 feet to the East line of Main Street; thence North 00°03'06" East 155.75 feet along said East line, more or less, to the South line of the Denver and Rio Grande Western Railroad; thence North 89°52'00" East 687.61 feet to the point of beginning.

Tract S: as disclosed in that Warranty Deeds recorded on November 21, 2006 as Entry No. 9916062, and January 19, 2007 as Entry No. 9893660, and October 31, 2008 as Entry No. 10553351 in the office of the Salt Lake County Recorder.

All of Lots 1 to 12 and Lots 34 to 40 of Block 1, Burton Place Plat A, Recorded on July 6, 1908 as Entry No. 237542 in the office of the Salt Lake County Recorder.

Tract T: as disclosed in that Warranty Deeds recorded on October 31, 2006 as Entry No. 9893659, and October 31, 2006 as Entry No. 9893660, and that Special Warranty Deed recorded on September 17, 2009 as Entry No. 10799289 in the office of the Salt Lake County Recorder.

All of Lots 4 to 11 of Block 2, Dundee Place Subdivision, recorded on March 29, 1890 as Entry No. 20531 in the office of the Salt Lake County Recorder, together with the 1/2 vacated alley abutting on the East. All of Lots 12 to 19 of Block 2, Dundee Place, together with the 1/2 vacated alley abutting on the East and together with 1/2 vacated street abutting on the West. All of Lots 4 to 11 of Block 1, Dundee Place, together with 1/2 vacated street abutting on the East and together with 1/2 vacated alley abutting on the West. All of Lots 12 to 17 of Block 1, Dundee Place, together with 1/2 vacated alley abutting on the West.

EXHIBIT B

Initial District Boundaries and Annexation Area Boundaries Maps

See following page(s).

EXHIBIT C

Interlocal Sewer Participation Agreement

Between DESS PID and South Salt Lake City, Utah

See following pages.

Exhibit B
Amended Interlocal Agreement

INTERLOCAL SEWER SYSTEM PARTICIPATION AGREEMENT

BETWEEN

SOUTH SALT LAKE CITY, UTAH

AND

DOWNTOWN EAST STREETCAR SEWER PUBLIC INFRASTRUCTURE DISTRICT

THIS INTERLOCAL SEWER SYSTEM PARTICIPATION AGREEMENT is made and entered into as of this ___ day of August, 2022, by and between SOUTH SALT LAKE CITY, a municipal corporation of the State of Utah (“City”), and DOWNTOWN EAST STREETCAR SEWER PUBLIC INFRASTRUCTURE DISTRICT, 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 authorized to exercise powers as are more specifically set forth in the District’s Governing Document approved by the City on April 13, 2022 (“Initial Governing Document”), with the District’s primary purpose being to finance the reconstruction of the City’s sewer system in the Downtown and East Streetcar neighborhoods (the “New Sewer System”); and

WHEREAS, the Initial Governing Document makes reference to the execution of an Interlocal Agreement between the City and the District which initial Interlocal Agreement was also approved by the City on April 13, 2022 (the “Initial Agreement”); and

WHEREAS, the Initial Agreement did not address the issue of how future property owners and developers, whose property was not part included in the initial District boundaries, can obtain access to and use of the New Sewer System, and the Parties now desire to establish the requirements for such access and use; and

WHEREAS, an Amended and Restated Governing Document of the District was approved by the City on August 10th, 2022 (“Amended Governing Document”), with certain revisions and amendments to address, among other things, the significantly increased engineering estimates for construction of the New Sewer System; and

WHEREAS, similar to the Initial Governing Document, the Amended Governing Document makes reference to an Interlocal Agreement, which is now intended by the Parties to be this Interlocal Sewer System Participation Agreement (“Agreement”), which completely restates and replaces the Initial Interlocal Agreement; 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 Agreement to restate and replace the Initial 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. Recitals Incorporated. The recitals, including but not limited to the defined terms set forth therein, are hereby incorporated into this Agreement as set forth.

2. Amended Governing Document. The Amended Governing Document approved by the City on August 10th, 2022, is incorporated herein by reference, and the District agrees to comply with its provisions. A copy of the Amended Governing Document is attached hereto as Exhibit A.

3. Restatement and Replacement of Initial Interlocal Agreement. This Agreement is intended to restate and replace entirely the Initial Interlocal Agreement. Upon approval of this Agreement by the City Council and execution hereof by both parties, the terms and provisions of the Initial Interlocal Agreement shall be deemed to be fully replaced and superseded by the provisions of this Agreement, and references in the Amended Governing Document to the Interlocal Agreement shall be agreed by the Parties to refer only to this Agreement.

4. Dedication. Upon the City's acceptance of the Public Improvements and the expiration of the infrastructure improvement warranty on such Public Improvements. I District shall offer to dedicate the Public Improvements (as defined in the Amended Governing Document) to the City or other appropriate jurisdiction the City determines is appropriate, in a manner consistent with the rules and regulations of the City and applicable provisions of the City Code.

5. 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, as well as the City Engineer Approved Construction Drawings. The District will obtain the applicable City permits for construction and installation of Public Improvements prior to performing such work. The District shall satisfy any City requirements for guaranty of performance of infrastructure completion and warranty of completed work for a period of one year post City acceptance.

6. Issuance of Privately Placed Debt. Prior to the issuance of any 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 Amended 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.

7. Inclusion Limitation. The District shall not include within any of its boundaries any property outside the District Area or the Annexation Area without the prior written consent of

the City and 100 percent of the property owners of record. The District shall not include within any of its boundaries any property inside the Annexation Area Boundaries without the prior written consent of the City except upon petition of the surface property owners of 100 percent of such property and/or 100 percent of registered voters within the area to be included, as applicable, as provided in Section 17D-4-201(3), Utah Code.

8. Overlap Limitation. The District shall not impose an aggregate mill levy for payment of Debt that exceeds the Maximum Debt Mill Levy of the District. The District shall not consent to the organization of any other public infrastructure district organized under the PID Act, or any other authority, within the District Area or the Annexation Area, which will overlap the boundaries of the District, unless such other proposed public infrastructure district is approved by the City Council. The District shall consent to the organization of another public infrastructure district organized under the PID Act within the District Area, if the City Council has approved the organization of the other public infrastructure district.

9. Initial Debt. On or before the effective date of approval by the City Engineer Approved Construction Drawings (as defined in the Amended Governing Document), the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt.

10. Total Debt Issuance. The District shall not issue Debt in excess of an aggregate amount of Thirty-four Million Five Hundred Thousand Dollars (\$34,500,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by any of the District.

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

(a) Shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent an amendment to the Amended Governing Document; 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 not be an authorized issuance of Debt and shall be void *ab initio*.

12. 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 for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until the District has provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

13. Disclosure to Purchasers. Within thirty (30) days of the City adopting a resolution approving the Amended Governing Document, the Board shall record a notice with the recorder of Salt Lake County, Utah. Such notice shall (a) contain a description of the boundaries of the District, (b) state that a copy of the Amended 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; (e) state that District debt is not City debt; and (f) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. Such notice shall further be filled 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:

(a) All of the information in the first paragraph of this section of this Agreement;

(b) A disclosure outlining the impact of any applicable property tax, in substantially the following form:

“Under the maximum property tax rate of the District **for every \$100,000 of taxable value**, there would be an **additional annual property tax of \$350** for the duration of the District’s Bonds.”

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

14. Governing Document Amendment Requirement. Actions of the District that violate the limitations set forth in V.A.1-9 or VIII.B-G of the Amended Governing Document shall be *void ab initio*.

15. Annual Report. The District shall be responsible for submitting an annual report to the Mayor’s Office no later than 30 days following the closing of the District’s fiscal year, containing the information set forth in Section VIII of the Amended Governing Document.

16. New Sewer System Improvements. Subject to City approvals required by law and the Amended Governing Document, the District shall be authorized to provide for the planning, design, acquisition, construction, installation, and restoration of New Sewer System Improvements, as that term is defined in the Amended Governing Document.

17. 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 0.0035 per dollar of taxable value of taxable property in the District; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8). Such Maximum Debt Mill Levy may also be used to pay administrative expenses of the District.

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

18. Maximum Debt Mill Levy Imposition Term. Each bond issued by the District shall mature within thirty-one (31) years from the date of issuance of such bond. In addition, no Debt obligation may exceed a period exceeding forty (40) years from the first date of imposition of the mill levy for such bond (the “Maximum Debt Mill Levy Imposition Term”).

19. Purpose of Sewer System Participation Covenants. The Parties acknowledge that the primary purpose of the City’s approval of the creation of the District was so that the District could issue bonds to finance the construction of the New Sewer System. The initial members of the District, being the owners of real property within the initial boundaries of the District, have assumed the responsibility to operate the District and consented to the levy of limited property taxes upon their respective properties in order to finance the bonds. However, the City and District recognize that the New Sewer System can serve the currently planned densities for the entire Downtown and East Streetcar neighborhoods, and that those property owners who are not among the initial members of the District but who also benefit from the New Sewer System in the future should be required to pay their proportionate share of the cost of the New Sewer System. This will result in a more equitable burden for the users of the New Sewer System and allow the total costs of its construction financing to be spread more broadly, thus reducing the share of costs for every participating property owner.

20. Participation Options. In order, then, to fulfill the purpose of the District and of this Agreement more fully, the City agrees that it shall require any property owner or developer who was not an initial member of the District to satisfy one of the following requirements as a pre-condition of connection to and service from the New Sewer System:

(a) *Option 1:* Annexation of real property to be serviced into the District (see Section 5 below); or

(b) *Option 2:* Payment of an impact fee or proportionate pioneering reimbursement fee adopted by the City (see Section 6 below).

The City and District acknowledge that because the District, following construction and dedication of the New Sewer System to the City, has no jurisdiction or control over the New Sewer System, the District must rely wholly upon the City to ensure one or more of the participation options is fulfilled for each new user of the New Sewer System. Any property owner or developer which, in the City’s reasonable judgment, is not required to connect to or benefit from the New Sewer system, either because the property to be serviced is outside the New Sewer System service area, or because the property is to be serviced by a new system not connected to the New Sewer System, shall not be subject to one of the participation options in this Agreement.

21. Option 1: Annexation into the District. In the event that the real property to be serviced by the New Sewer System is located within the annexation area of the District (as established in the Amended Governing Document with the approval of the City, and depicted on Exhibit B hereto), then the City under this option shall require a property owner or developer who

desires a service connection or connections to the New Sewer System and elects this option to first petition for, and receive approval of, annexation into the District of all the real property to be serviced.

(a) The process to annex the real property into the District shall be initiated under Utah Code Ann. § 17D-4-201(3)(a) (as amended), by the filing with the District of a petition for annexation containing the signatures of 100% of surface property owners within the area proposed to be annexed, and of 100% of the registered voters in the area (if any); and

(b) The petitioners shall submit to the District with the petition a proposed final local entity plat for the annexation depicting the boundary of the area proposed to be annexed, in compliance with Utah Code § 17-23-20 (as amended), and a proposed notice of impending boundary action complying with Utah Code § 67-1a-6.5.

(c) The Board of Trustees of the District shall consider the petition, the final local entity plat, and the notice of impending boundary action and, if they are determined to comply with applicable law, the Amended Governing Document of the District, and this Agreement, then the Board shall approve the annexation by resolution and shall sign and process the final local entity plat and notice of impending boundary action as required by applicable law.

(d) The District shall, when submitting the notice of impending boundary action to the lieutenant governor under § 67-1a-6.5(3), send a copy of the notice along with a copy of the resolution approving the annexation and the final local entity plat, to the City for its records.

(e) Upon receipt of the notice of impending boundary action, the City may permit the real property which is the subject of the annexation to be served by the New Sewer System (subject to all other applicable City requirements).

22. Option 2: New Impact Fee/Pioneering Reimbursement Fee. In lieu of annexation into the District (or in the event that the real property to be serviced cannot be annexed into the District because it is not within the District's annexation area), then the City shall require the property owner or developer seeking service to pay, in addition to all other fees imposed by the City for such services, an additional impact fee (the "New Impact Fee") or a pioneering reimbursement fee meant to defray the \cost of construction of the New Sewer System, including the cost of financing such construction.

(a) *Enactment of New Impact Fee/Pioneering Reimbursement Fee.*

i. The New Impact Fee shall be established and enacted consistent with the Utah Impact Fee Act, Utah Code Title 11, Chapter 36a, as amended.

ii. The plan and analysis required for establishment of the New Impact Fee or pioneering reimbursement fee shall be performed by a competent third party professional selected by the City pursuant to the City's procurement policies. The City will direct the work of the selected professional but the costs of the required plan and analysis, including the professional's fees, shall be paid by the District. The District may appoint a District Representative, who shall have the right to attend all significant meetings regarding

preparation of the fee plan and analysis, and review all Fee analysis documents and plans, in order to give feedback to the City's selected professional.

iii. The facilities plan, benefit area, and analysis forming the basis on which the New Impact Fee or pioneering reimbursement fee shall be established shall include the New Sewer System and any other sewer system improvements which the City and its professional adviser determine to be appropriate.

iv. The City will in good faith make its best efforts to finalize enactment of the New Impact Fee or pioneering reimbursement fee no later than twelve (12) months following the date of issuance of bonds by the District. Issuance of bonds by the District will be a condition precedent to the City's obligations under this Agreement, and in the event that no bonds are issued, the City's obligations hereunder shall never mature. Under no circumstance shall the City be liable for its failure to impose impact fees or pioneering reimbursement fees pursuant to this Agreement.

v. Unless and until the New Impact Fee or pioneering reimbursement fee is enacted, a property owner or developer who desires a service connection or connections to the New Sewer System shall be required to elect Option 1 as set forth in Section 21 above in order to receive service from the New Sewer System.

(b) *Reimbursement to District for Application to Outstanding Bonds.*

i. Following final enactment of the New Impact Fee or pioneering reimbursement fee, not less frequently than annually and on or before July 31 each year, the City shall transfer to the District the total sum of all money collected by the City pursuant to the New Impact Fee or the pioneering reimbursement fee in the prior fiscal year, less a portion to be retained by the City to cover the City's reasonable costs of administering the fee. The District shall apply all of the money so received from the City to reduce the amounts outstanding on the bonds issued by the District to finance the New Sewer System. The City and District may, for efficiency and convenience, arrange for transfer of the New Impact Fees or pioneering reimbursement fees directly from the City to the District's bond trustee for application to the bonds as required.

(c) In the event that there are sums paid to the bond trustee by the City from the New Impact Fee or pioneering reimbursement fee which exceed the amounts required to repay the bonds in full, then the excess shall be returned to the City. Any sum of money paid by the City remaining in the bond trustee's or District's possession at the time the District is dissolved shall be returned to the City, and thereafter the City shall have no further obligation to collect or pay such fees.

23. Initial Members of the District Exempt. The City and District agree that the initial members of the District, meaning the original petitioners for creation of the District and owners of the real property within the initial boundaries of the District, and their successors or assigns in and to the surface title to such property, are exempt from the participation requirements of this Agreement on properties owned by them in the District by virtue of their original participation in the creation of the District. The original property owners (and their successors) are already

committed to participate in the repayment of the bond financing for the New Sewer System by virtue of their consent to the limited property tax to be levied upon their properties by the District. This provision shall not be interpreted as a waiver of or release from any other City requirements or conditions for approval of development by the initial members and their successors and assigns. This provision shall not preclude any other agreements which may be negotiated or made between the City and the District, or between the City and any individual developer or property owner, regarding fees and obligations otherwise due to the City.

24. 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: Downtown East Streetcar Sewer Public
Infrastructure District
c/o Snow Jensen & Reece, PC
912 West 1600 South, Ste. B200
St. George, UT 84770
Attn: Matthew J. Ence
Phone: (435) 628-3688

To the City: South Salt Lake City
220 E Morris Ave., Suite 200
South Salt Lake, UT 84115
Attn: Mayor and City Attorney
Phone: (801) 483-6000

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.

25. Amendment. This Agreement may be amended, modified, changed, or terminated in whole or in part only by a public hearing before the City Council, approval of the City Council, a written agreement duly authorized and executed by the Parties hereto and without amendment to the Amended Governing Document.

26. 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.

27. 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.

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

29. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Utah, as constrained by this Agreement.

30. 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.

31. Integration. This Agreement (including all exhibits) 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.

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

33. 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.

34. 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.

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

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

(remainder of page intentionally left blank; signature page to follow)

[SIGNATURE PAGE TO INTERLOCAL AGREEMENT]

DOWNTOWN EAST STREETCAR SEWER
PUBLIC INFRASTRUCTURE DISTRICT

By: _____
Chair

Attest:

Clerk/Secretary

APPROVED AS TO FORM: _____

SOUTH SALT LAKE CITY, UTAH

By: _____
Cherie Wood, Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____

EXHIBIT A: Governing Document

EXHIBIT B: Annexation Area Boundary (outlined in Blue) Maps