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GARY W. OTT  
RECORDER, SALT LAKE COUNTY, UTAH  
BALLARD & SPAHR LLP  
DAN W EGAN  
201 S MAIN STE 800  
SLC UT 84111  
BY: TJA, DEPUTY - WI 30 P.

WHEN RECORDED, RETURN TO:

Randall M. Larsen  
Ballard Spahr LLP  
201 South Main Street, Suite 800  
Salt Lake City, UT 84111

### NOTICE OF PROPOSED ASSESSMENT

Notice is hereby given that the City of South Jordan, Utah, a political subdivision and body politic of the State of Utah, has designated an Assessment Area to be known as "Daybreak Assessment Area No. 1" (the "Assessment Area") pursuant to the Assessment Area Act, Utah Code Title 11, Chapter 42, and by Resolution No. R2015-50 (attached as Exhibit A) for the purpose of defraying the costs of certain improvements consisting primarily of acquiring, constructing and installing road, storm water, sewer, culinary water, street lighting, landscaping and related improvements (collectively, the "Improvements") by assessments to be levied against the properties benefited by such Improvements within the Assessment Area that are identified by legal description and tax identification number on Exhibit B.

For information call Sunil Naidu, Chief Financial Officer at (801) 254-3742.

Dated this January 19, 2016.

  
\_\_\_\_\_  
City Manager

STATE OF UTAH                    )  
  : ss.  
COUNTY OF SALT LAKE    )

On January 19, 2016 personally appeared before me, Gary L. Whatcott, who duly acknowledged to me that he executed the foregoing instrument on behalf of the City of South Jordan in his capacity as City Manager.

My Commission Expires:  
January 26, 2018

Melanie Edwards  
Notary Public  
Residing at: SLC, Utah



EXHIBIT A  
DESIGNATION RESOLUTION

South Jordan, Utah

December 22, 2015

The City Council (the "Council") of the City of South Jordan, Utah (the "Issuer"), met in regular public session at the regular meeting place of the Council in South Jordan, Utah, on Tuesday, December 22, 2015, at the hour of 4:00 p.m., with the following members of the Council being present:

|                    |               |
|--------------------|---------------|
| David L. Alvord    | Mayor         |
| Mark Seethaler     | Councilmember |
| Chuck Newton       | Councilmember |
| Donald Shelton     | Councilmember |
| Steve Barnes       | Councilmember |
| Christopher Rogers | Councilmember |

Also present:

|              |  |
|--------------|--|
| Anna M. West | City Recorder                          |
| Sunil Naidu  | Chief Financial Officer/Budget Officer |

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this December 22, 2015, meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following resolution was introduced in written form, discussed in full, and pursuant to a motion made by Councilmember Seethaler and seconded by Councilmember Newton adopted by the following vote:

AYE: Councilman Seethaler, Councilman Newton,  
Councilman Barnes, Councilman Shelton

NAY: Councilman Rogers

The resolution was then signed by the Mayor in open meeting and recorded by the City Recorder in the official records of the City of South Jordan, Utah. The resolution is as follows:

RESOLUTION NO. R2015-50

A RESOLUTION OF THE CITY COUNCIL (THE "CITY COUNCIL") OF THE CITY OF SOUTH JORDAN, UTAH (THE "CITY"), DESIGNATING AN ASSESSMENT AREA FOR THE PURPOSE OF (i) LEVYING ASSESSMENTS AGAINST PROPERTIES WITHIN THE ASSESSMENT AREA TO FINANCE THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF ROAD, STORM WATER, SEWER, CULINARY WATER, STREET LIGHTING, LANDSCAPING AND RELATED IMPROVEMENTS, (ii) ESTIMATING THE AMOUNT OF THE ASSESSMENTS TO BE LEVIED AND THE METHOD OR METHODS OF ASSESSMENTS AND (iii) GENERALLY DESCRIBING THE PERIOD OVER WHICH THE ASSESSMENTS ARE TO BE PAID AND THE MANNER IN WHICH THE CITY INTENDS TO FINANCE SAID IMPROVEMENTS; AND RELATED MATTERS.

BE IT RESOLVED by the City Council (the "City Council") of the City of South Jordan, Utah (the "City"), as follows:

Section 1. The City Council hereby determines that it will be in the best interest of the City to designate an area to finance the costs of acquiring, constructing and installing road, storm water, sewer, culinary water, street lighting, landscaping and related improvements, and to complete said improvements in a proper and workmanlike manner (collectively, the "Improvements"). The road, storm water, sewer, street lighting, landscaping and related improvements shall be referred to herein as the "Road Improvements" and the culinary water, landscaping and related improvements shall be referred to herein as the "Water Improvements." The City Council hereby determines that it is in the best interest of the City to levy assessments against properties benefited by the Improvements to finance the costs of said Improvements.

Section 2. Pursuant to the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended (the "Act"), the owner (the "Owner") of all properties to be assessed within the designated assessment area has voluntarily waived, among other things, all notice and hearing requirements, the right to contest or protest, and the right to have a board of equalization appointed as set forth in the Act, and has consented to (a) the levy of an assessment against its property for the benefits to be received from the Improvements, (b) the designation of the assessment area as herein described, (c) the financing of the Improvements by the City through the issuance of assessment bonds, (d) the acquisition and/or construction of the Improvements, and (e) the method and estimated amount of assessment as set forth herein in accordance with the Acknowledgment, Waiver, and Consent attached hereto as Exhibit B. The properties to be assessed are identified by legal description and tax identification number in Exhibit C attached hereto; however, the officials of the City may, if necessary, make technical corrections to such legal description up until the time the Assessment Ordinance is recorded.

Section 3. As required by Section 11-42-205 of the Act, the City has obtained an appraisal of the property proposed to be assessed from an appraiser who is a member of the Appraisal Institute, addressed to the City and verifying that the market value of the property to be assessed, after completion of the proposed improvements, is at least three (3) times the amount of the assessment proposed to be levied against the property. The City hereby opts under Section 11-42-205 of the Act to allow the principal amount of the Owner's construction loan or other equivalent availability of funds (in the principal amount of \$6,000,000) to be included in the market value of the property to be assessed. See Exhibit H attached hereto.

Section 4. The City hereby designates an Assessment Area which shall be known as the "Daybreak Assessment Area No. 1" (the "Assessment Area"). A description of the Assessment Area and its boundaries are more particularly described in Exhibit D attached hereto. Technical changes may be made by officials of the City to such description of the boundaries of the Assessment Area up until the time of the recording of the Assessment Ordinance, so long as such changes do not change the boundaries from those shown on the map attached hereto as Exhibit E.

Section 5. A map showing the location of the Improvements and areas anticipated to be assessed for Improvements acquired and/or constructed is set forth in Exhibit E. The Improvements anticipated to be constructed are shown on the map and schedules attached hereto as Exhibit E, and are more particularly described as follows:

Road Improvements Zone 1:

1. South Jordan Parkway Village 5 widening
2. South Jordan Parkway – East
3. South Jordan Parkway – Right of way acquisition
4. Grandville – from existing to Lake Avenue
5. Lake Run – Duckhorn to Lake Avenue
6. Lake Avenue – from Kestrel Rise to MVC
7. DB Parkway West – Village 7 and 8 portion
8. Lake Run – Lake Avenue to South Jordan Parkway

Road Improvements Zone 2:

1. Lake Avenue – from MVC to Village 7
2. Village 7 and 8 East Road
3. Village 7 West Road
4. DB Parkway West – Village 7 and 8 portion

Water Improvements Zone 3:

1. Water Tank/Transmission Lines

As further engineering, costs, efficiencies, or any other issues present themselves, the City hereby reserves the right to approve reasonable changes to the location and

specifications of the Improvements without obtaining the consent of the property owners within the Assessment Area.

Section 6. Pursuant to the Act, the City Council has determined to levy assessments to pay the cost of the Improvements. The assessments are assessed against properties in a manner that reflects an equitable portion of the benefit of the Improvements as required by the Act (and in any event the Owner has consented to such manner without reservation), and shall be payable either before a building permit is issued, or in not more than twenty (20) annual installments with interest on the unpaid balance until due and paid, as further set forth herein and in the Assessment Ordinance. The City has determined that the reasonable useful life of the Improvements is at least twenty (20) years and that it is in the City and the Owner’s best interest for certain property owner installments to be paid for up to twenty (20) years.

Section 7. The total acquisition and/or construction cost of Improvements including estimated overhead costs and a portion of the interest costs during construction, is estimated at \$34,700,128, all of which is anticipated to be paid by assessments to be levied against the properties within the Assessment Area to be benefited by such Improvements, which benefits need not actually increase the fair market value of the properties to be assessed. The City may finance the cost of the Improvements by issuing assessment bonds (the “Bonds”). If the City issues Bonds, in lieu of utilizing a guaranty fund, the City Council intends to create a special reserve fund to secure payment of the Bonds. It is anticipated that the reserve fund will be initially funded with proceeds of the Bonds. The City intends to covenant in the ordinance making the assessment or the proceedings for the Bonds to replenish the reserve fund as provided in Subsection 11-42-702(4) of the Act. In order to reflect the benefits to be received from the Improvements, the assessments shall be levied by separate classifications for Road Improvements and Water Improvements, and against all of the area in each of the classifications of the Assessment Area. The estimated cost of Improvements to be assessed against the benefited properties within the Assessment Area under an equivalent residential unit (“ERU”) method of assessment, by classification, are as follows:

| <u>Zone</u> | <u>Improvements</u> | <u>Estimated Assessment</u> | <u>Method of Assessment</u> |
|-------------|---------------------|-----------------------------|-----------------------------|
| 1           | Road Improvements   | \$17,080,479                | Per ERU                     |
| 2           | Road Improvements   | 9,264,706                   | Per ERU                     |
| 3           | Water Improvements  | 8,354,943                   | Per ERU                     |

Section 8. The City Council intends to levy assessments as provided in the Act on all parcels and lots of real property within the Assessment Area to be benefited by the Improvements, and the Owner of which has executed the Acknowledgment, Waiver, and Consent described in Section 2 herein. The purpose of the assessment and levy is to finance the cost of the Improvements, which the City will not assume or pay.

As shall be further described in the Assessment Ordinance, any succeeding property owner to the Owner (whether by sale, foreclosure, or any other property transfer of title) of property for a single-family residential dwelling, must prepay the applicable

assessment at the time of request for a building permit (if such assessment has not already been paid). Any succeeding property owner to the Owner (whether by sale, foreclosure, or any other property transfer of title) of property for a multi-unit building or requesting a multi-unit building permit may, if not already paid, prepay an assessment at such time or with the consent of the City may pay the assessment in twenty (20) annual principal installments with interest on the unpaid balance at a rate or rates fixed by the City Council, as further described in the Assessment Ordinance. For purposes of this Resolution, a “single-family residential dwelling” shall mean any dwelling, building, or portion thereof capable of being owned by a single owner as a living residence, as determined by the City in its sole discretion. For purposes of this Resolution, a “multi-unit building” shall mean any dwelling, building, or portion thereof that is a commercial property or multi-unit dwelling and is not a single-family residential dwelling, as determined by the City in its sole discretion. Nevertheless, the existing planning and zoning conditions of the City shall govern the development in the Assessment Area.

The Owner has waived the right to prepay the assessment without interest within twenty-five (25) days after the ordinance levying the assessments becomes effective. A property owner may prepay the assessment as provided in the Assessment Ordinance. The assessments shall be levied according to the benefits to be derived by each property within the Assessment Area and in any case, the Owner has consented to such methodology as provided in Section 11-42-409(5). Other payment provisions and enforcement remedies shall be in accordance with the Act.

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

Section 9. The City Council will collect the Assessment by directly billing the property owner rather than inclusion on a property tax notice issued in accordance with Section 59-2-1317, Utah Code Annotated, as amended.

Section 10. The City Engineer has prepared a “Certificate of Project Engineer” which, among other things, identifies the Improvements to be constructed and installed attached hereto as Exhibit G. The findings and determinations set forth in this resolution are based, in part, upon said Certificate of Project Engineer.

Section 11. The City Council reasonably expects and intends to reimburse the City from proceeds of the Bonds for all expenditures paid by the City with respect to the Improvements in advance of the issuance of tax-exempt bonds. The maximum principal amount of debt expected to be issued to acquire the Improvements is \$38,000,000. This declaration of official intent is consistent with the City’s budgetary and financial circumstances. No funds from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the City Council or by any member of the same controlled group pursuant to their budget or financial policies with respect to the expenditures to be reimbursed.

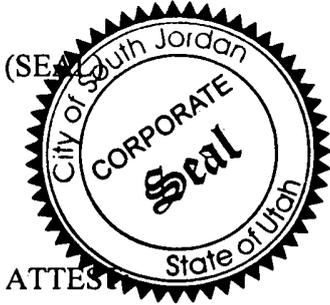
Section 12. The provisions of the Assessment Ordinance shall govern the levy, payment and applicable provisions regarding the assessments notwithstanding anything

contained herein to the contrary. As required by Section 11-42-206(3) of the Act, within 15 days of the adoption of this Resolution, the City Recorder shall (i) record an original or certified copy of this designation resolution in the office of the County Recorder; and (ii) file with the County Recorder a notice of proposed assessment that:

- (A) states that the City has designated the Assessment Area; and
- (B) lists, by legal description and tax identification number, the property proposed to be assessed (technical changes may be made to such descriptions up until the time of the recording of the Assessment Ordinance).

Evidence of the recordation of this designation resolution shall be attached hereto as Exhibit F upon availability.

After the conduct of other business not pertinent to the above, the meeting was, on motion duly made and seconded, adjourned.



By:   
Mayor

By:   
City Recorder

STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

CERTIFICATE OF DESIGNATION  
OF ASSESSMENT AREA

I, Anna M. West, the duly chosen, qualified, and acting City Recorder of the City of South Jordan, Utah, do hereby certify as follows:

1. That the foregoing typewritten pages constitute a full, true, and correct copy of the record of proceedings of the City Council taken at a regular meeting thereof held in said City on December 22, 2015, at the hour of 4:00 p.m., insofar as said proceedings relate to the consideration and adoption of a resolution declaring the proposal of the City Council to designate the Daybreak Assessment Area No. 1 and finance Improvements therein described as the same appears of record in my office; that I personally attended said meeting, and that the proceedings were in fact held as in said minutes specified.

2. That due, legal, and timely notice of said meeting was served upon all members as required by law and the rules and ordinances of said City.

3. That the above resolution was deposited in my office on December 22, 2015, has been recorded by me, and is a part of the permanent records of the City of South Jordan, Utah.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and affixed the seal of said City this December 22, 2015.



By: Anna M. West  
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Anna M. West, the undersigned City Recorder of the City of South Jordan, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the December 22, 2015, public meeting held by the City as follows:

(a) By causing a Notice in the form attached hereto as Schedule 1, to be posted at the City's principal offices on December 18, 2015, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to The Salt Lake Tribune and the Deseret News on December 18, 2015, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>).

In addition, the Notice of 2015 Annual Meeting Schedule for the City Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be posted on 12-28-2014, at the principal office of the City Council and by causing a copy of said Notice to be provided to at least one newspaper of general circulation within the City on 12-28-2014.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this December 22, 2015.



By: Anna M. West  
City Recorder

**EXHIBIT B**

**ACKNOWLEDGMENT, WAIVER, AND CONSENT**

## ACKNOWLEDGMENT, WAIVER, AND CONSENT AGREEMENT

This ACKNOWLEDGMENT, WAIVER, AND CONSENT AGREEMENT (this "Agreement") is entered into December 22, 2015, by and between the City of South Jordan, Utah (the "City"), and Kennecott Land Company, a Delaware corporation (the "Owner" and together with the City, the "Parties").

### RECITALS:

1. As of the date hereof the Owner owns all of the real property described in Exhibit A attached hereto (the "Subject Property") which constitutes all of the property to be assessed within the Assessment Area described herein.

2. The Owner desires that the City designate an assessment area pursuant to the Assessment Area Act, Title 11, Chapter 42, Utah Code Annotated 1953, as amended (the "Act"), for purposes of financing the costs of acquiring, constructing and installing road, sewer, storm water, culinary water, and related improvements, as more fully described in the Assessment Ordinance (defined herein) (collectively, the "Improvements").

3. Pursuant to the Act, the City Council of the City (the "City Council") anticipates adopting (i) a designation resolution, a copy of which is attached hereto as Exhibit B (the "Designation Resolution") designating an assessment area to be known as the "Daybreak Assessment Area No. 1" (the "Assessment Area"), and (ii) an assessment ordinance for the Assessment Area (the "Assessment Ordinance") a copy of which is attached hereto as Exhibit C.

4. The City and the Owner desire to expedite the designation of the Assessment Area by waiving certain statutory procedures as permitted by the Act for the purpose of accelerating the financing of the Improvements.

5. The City and the Owner agree that the City may acquire all or a portion of the Improvements in whole or in part from the Owner, in one or more stages, after confirming to its reasonable discretion either (i) satisfactory compliance with the bidding and procurement process required by the Act, or (ii) that the cost of said Improvements is not greater than fair market value of the same. Furthermore, before acquiring any of the Improvements, the City Engineer or other appropriate officials of the City shall do an inspection and will provide a certification that such Improvements are satisfactory and meet all City requirements.

NOW, THEREFORE, in consideration of the premises stated herein, the designation of Assessment Area, the acquisition, construction and installation of the Improvements and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

Section 1. Representations and Warranties of the City. The City hereby represents and warrants that:

(a) the execution and delivery of this Agreement by the City does not conflict with, violate, or constitute on the part of the City a breach or violation of any of the terms and provisions of, or constitute a default under (i) any existing constitution, law, or administrative rule or regulation, decree, order, or judgment; (ii) any corporate restriction or any bond, debenture, note, mortgage, indenture, agreement, or other instrument to which the City is party or by which the City is or may be bound or to which any of the property or assets of the City is or may be subject; or (iii) the creation and governing instruments of the City; and

(b) there is no action, suit, proceeding, inquiry, or investigation at law or in equity by or before any court or public board or body and to which the City is a party, or threatened against the City wherein an unfavorable decision, ruling, or finding would adversely affect the validity or enforceability or the execution and delivery by the City of this Agreement.

Section 2. Representations and Warranties of Owner. The Owner hereby represents and warrants that:

(a) the Owner is the sole owner of the Subject Property identified as such in Exhibit A attached hereto;

(b) the Owner has taken all action necessary to execute and deliver this Agreement;

(c) the execution and delivery of this Agreement by the Owner does not conflict with, violate, or constitute on the part of the Owner a breach or violation of any of the terms and provisions of, or constitute a default under (i) any existing constitution, law, or administrative rule or regulation, decree, order, or judgment; (ii) any corporate restriction or any bond, debenture, note, mortgage, indenture, agreement, or other instrument to which the Owner is a party or by which the Owner is or may be bound or to which any of the property or assets of the owner is or may be subject; or (iii) the creation and governing instruments of the Owner, if applicable;

(d) there is no action, suit, proceeding, inquiry, or investigation at law or in equity by or before any court or public board or body and to which the Owner is a party, or threatened against the Owner (i) seeking to restrain or enjoin the levy or collection of the Assessments, (ii) contesting or affecting the establishment or existence, of the Owner or any of its officers or employees, its assets, property or conditions, financial or otherwise, or contesting or affecting any of the powers of the Owner, including its power to develop the Subject Property, or (iii) wherein an unfavorable decision, ruling, or finding would adversely affect the validity or enforceability or the execution and delivery by the Owner of this Agreement;

(e) the Owner has not made an assignment for the benefit of creditors, filed a petition in bankruptcy, petitioned or applied to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction. The Owner has not indicated its consent to, or approval of, or failed to object timely to, any petition in bankruptcy, application or proceeding or order for relief or the appointment of a custodian, receiver or any trustee;

(f) the Owner is not in default under any resolution, agreement or indenture, mortgage, lease, deed of trust, note or other instrument to which the Owner is subject, or by which it or its properties are or may be bound, which would have a material adverse effect on the development of the Subject Property;

(g) the land owned by the Owner within the Assessment Area is free and clear of any mortgage encumbrance;

(h) the Owner is in compliance and will comply in all material respects with all provisions of applicable law relating to the development of the Subject Property, including applying for all necessary permits;

(i) the Owner hereby consents in all respects to the assessment methodology as described in the Designation Resolution and Assessment Ordinance, including as provided in subsection 11-42-409(5) of the Act; and

(j) the undersigned is authorized to execute and deliver this Agreement for and on behalf of the Owner.

Section 3. Acknowledgment by Owner. The Owner, on behalf of itself, its successors in title and assigns, hereby acknowledges and certifies:

(a) that the undersigned, on behalf of the Owner, is a duly qualified representative of the Owner with the power and authority to execute this Agreement for and on behalf of the Owner and has heretofore consulted its own counsel prior to the execution and delivery of this Agreement;

(b) that the Owner has received a copy of the Designation Resolution wherein the City intends to designate the Assessment Area and the Assessment Ordinance;

(c) that the consents set forth in Section 4 herein will benefit the Owner by providing for the financing of the Improvements and by expediting the assessment process and the requirements for the issuance of assessment bonds;

(d) that the Assessments constitute a legal, valid and binding lien on the Subject Property;

(e) the Assessment Ordinance and the rights of the City thereunder with respect to the enforcement of the lien of the Assessments and all other conditions therein;

(f) that the Owner has provided the pertinent information supporting the estimate of the cost of the Improvements, the classifications described in the Assessment Ordinance, the allocation of equivalent residential units ("ERUs") in the Assessment Area, the property description and tax parcel identifications of the Assessment Area, the assessment list attached to the Assessment Ordinance, and has directly participated in the information and assumptions underlying the appraisal related to the Assessment Area, and the City is relying on this Agreement in order to issue its assessment bonds related to the Improvements;

(g) that the levy of the Assessments on the lands in the Assessment Area will not conflict with or constitute a breach of or default under any agreement, mortgage, lien or other instrument to which the Owner is a party or to which its property or assets are subject; .

(h) that the City cannot guaranty or predict the interest rates of the assessment bonds related to the Assessment Area which will have a direct impact on the amount of the Assessments and, if the Assessments are not sufficient in amount to complete the Improvements, the Owner shall be solely responsible to pay the remaining amount in order to complete the Improvements. The Owner further acknowledges and agrees that if for any reason the Owner does not pay such remaining amount to complete the Improvements, the City will not guaranty or pay any such remaining amounts. Therefore, any and all property owners within the Assessment Area may be responsible for paying any pro-rata share of additional costs required to complete the Improvements, including, but not limited to, an additional assessment on their property without any ability to contest such assessment; and

(i) that each parcel of property (including subdivided parcels) within the Assessment Area shall have an allocated number of ERUs for each applicable classification. However, to the extent permitted by law, property owners (including the Owner) in the Assessment Area may be subject to additional development impact costs related to the services provided by the Improvements based upon the requested development of their property if such impact costs exceed the capacity of the allocated ERUs to the related property.

Section 4. Consent by Owner. The Owner, on behalf of itself, and its successors in title and assigns, hereby consents to:

(a) the City designating the Assessment Area for the Subject Property, for the purpose of financing the cost of the Improvements with assessments to be levied against properties within said Assessment Area, including the Subject Property all as generally described in the Designation Resolution, the estimated

costs of the Improvements, the method of assessment, and the Assessment Ordinance;

(b) the City financing the acquisition, construction and installation of the Improvements through the issuance of assessment bonds as provided in the Act; and

(c) not suing or enjoining the levy, collection, or enforcement of the assessment levied pursuant to the assessment ordinance or in any manner attacking or questioning the legality of said assessment levied within the Assessment Area, pursuant to the Assessment Ordinance.

Section 5. Waiver. The Owner, on behalf of itself, its successors in title and assigns, hereby waives:

(a) any and all notice and hearing requirements set forth in the Act;

(b) its rights for contesting, protesting, or challenging the legality or validity of the equitability or fairness of the Assessments, or the creation and establishing of the Assessment Area, the adopting of the Assessment Ordinance or the levy and collection of Assessments pursuant to the Assessment Ordinance, whether by notice to the District or by judicial proceedings, or by any other means;

(c) the right to have appointed by the City Council a board of equalization and review which would hear aggrieved property owners and recommend adjustments in assessments, if deemed appropriate, the right to a hearing before a board of equalization and review and the right to appeal from any determination of a board of equalization and review as provided in the Act;

(d) the right to pay cash for its assessment during a cash prepayment period which would otherwise extend for twenty-five (25) days after the adoption and publication of the Assessment Ordinance as provided in the Act;

(e) any right to contest its assessment, including but not limited to the 60-day contestability period provided in Section 11-42-106 of the Act; and

(f) any other procedures that the City may be required to follow in order to designate an assessment area or to levy an assessment as described in the Designation Resolution and the Assessment Ordinance.

Section 6. Amendment. The City and the Owner hereby acknowledge that bond counsel will rely on the representations, warranties, acknowledgments, consents, and agreements herein contained in issuing opinions relating to the levy of the assessments and the issuance of assessment bonds and consequently hereby agree that this Agreement may not be amended, modified, or changed without the prior written consent of the City and such bond counsel.

Section 7. Severability. The invalidity or un-enforceability in particular circumstances of any provision of this Agreement shall not extend beyond such provision or circumstances and no other provision hereof shall be affected by such invalidity or un-enforceability.

Section 8. Headings. The headings of the sections of this Agreement are inserted for convenience only and shall not affect the meaning or interpretation hereof.

Section 9. Successors and Assigns. This Agreement shall be binding upon the Parties hereto and their successors and assigns.

Section 10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

Section 11. Counterparts. This Agreement may be executed in several counterparts, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same instrument.

Section 12. Defined Terms. Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to such terms in the Assessment Ordinance.

IN WITNESS WHEREOF, the Mayor of the City has hereunto set his hand and has caused the official seal of the City to be hereunto affixed, and the City Recorder of the City has attested the same, and the undersigned, on behalf of the Owner have hereunto executed this Agreement all as on the date first hereinabove set forth.

Dated: December 22, 2015.

OWNER:

KENNECOTT LAND COMPANY, a  
Delaware corporation

By:   
Its: VICE PRESIDENT DAYBREAK

CITY OF SOUTH JORDAN, UTAH

(SEAL)

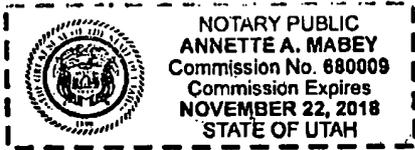
By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Recorder

STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

The foregoing instrument was acknowledged before me this December 21, 2015, by Ty McCutcheon, the ~~Vice president Daybreak~~ of the Owner, who represented and acknowledged that he signed the same for and on behalf of the Owner.



*Annette A. Mabe*  
NOTARY PUBLIC

STATE OF UTAH )  
 : ss.  
COUNTY OF SALT LAKE )

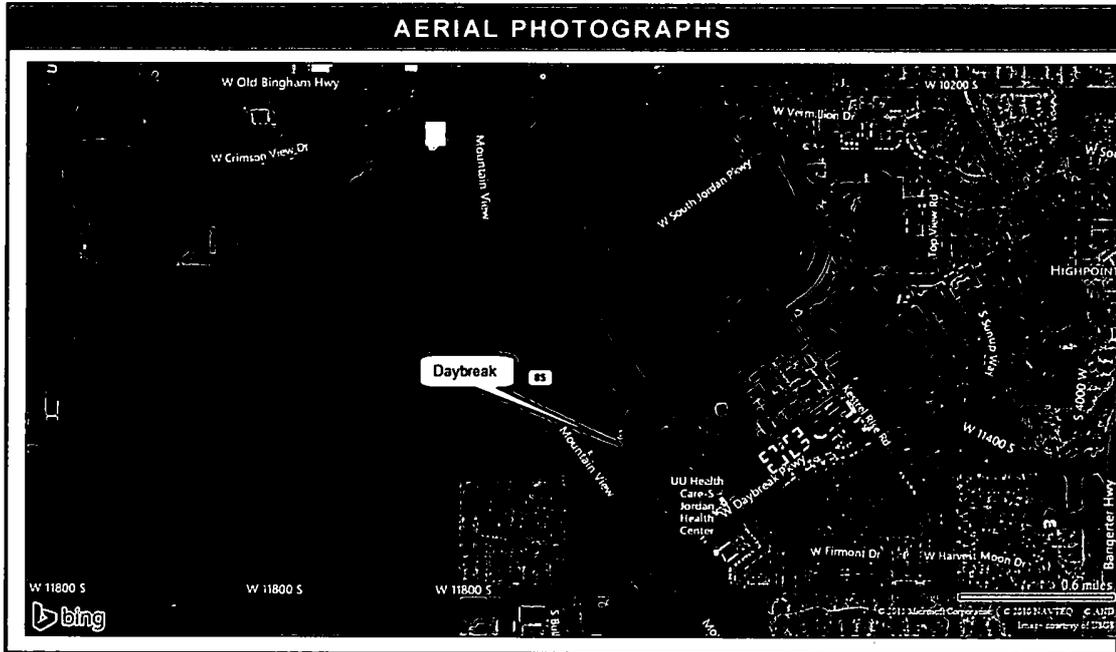
The foregoing instrument was acknowledged before me this December \_\_\_\_, by David L. Alvord and Anna M. West, as Mayor and City Recorder of the City of South Jordan, Utah, who represented and acknowledged that they signed the same for and on behalf of the City of South Jordan, Utah.

\_\_\_\_\_  
NOTARY PUBLIC

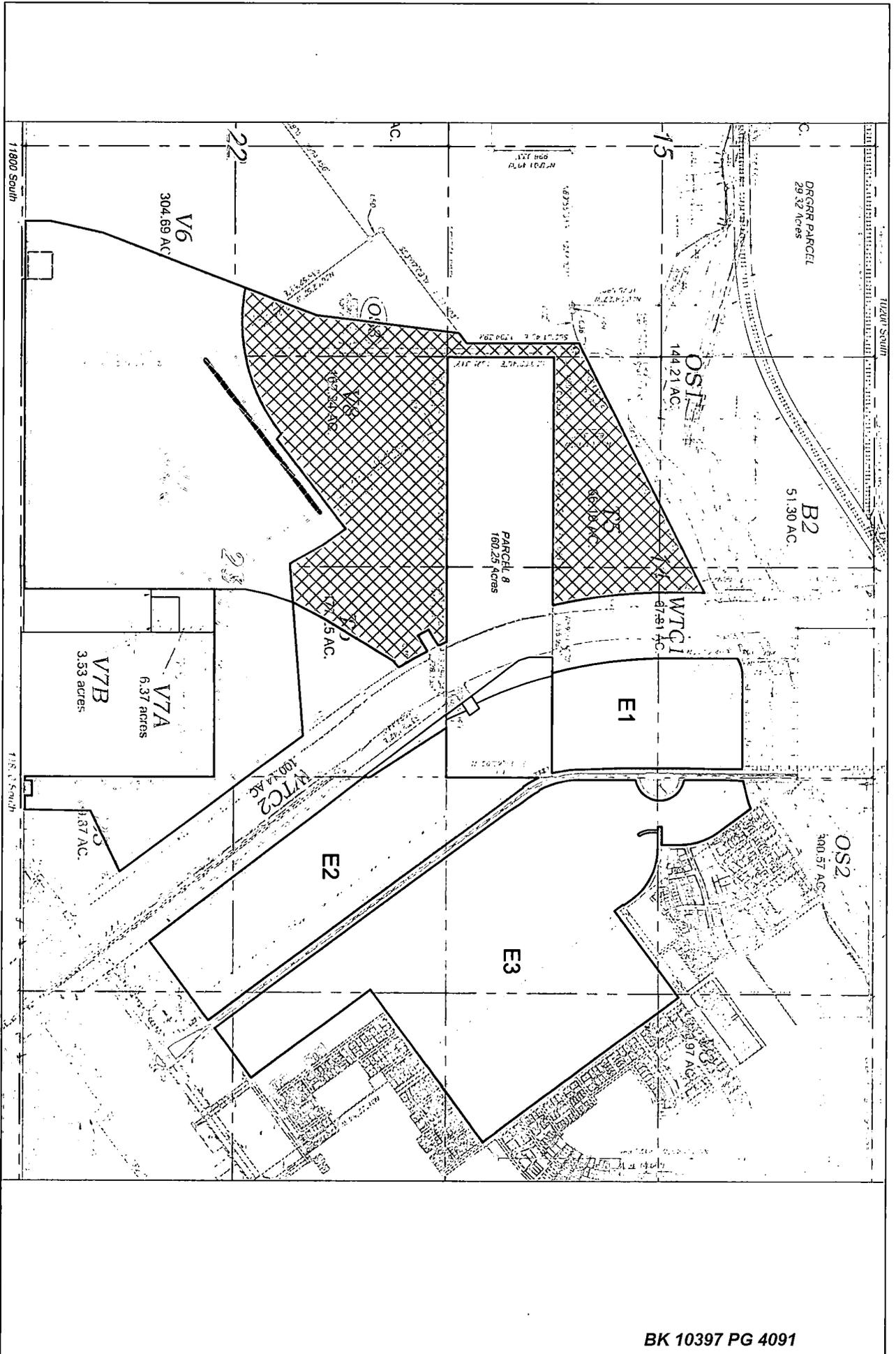
EXHIBIT D

DESCRIPTION OF BOUNDARY OF THE ASSESSMENT AREA

# Property Photographs



- POOR COPY -  
CO. RECORDER

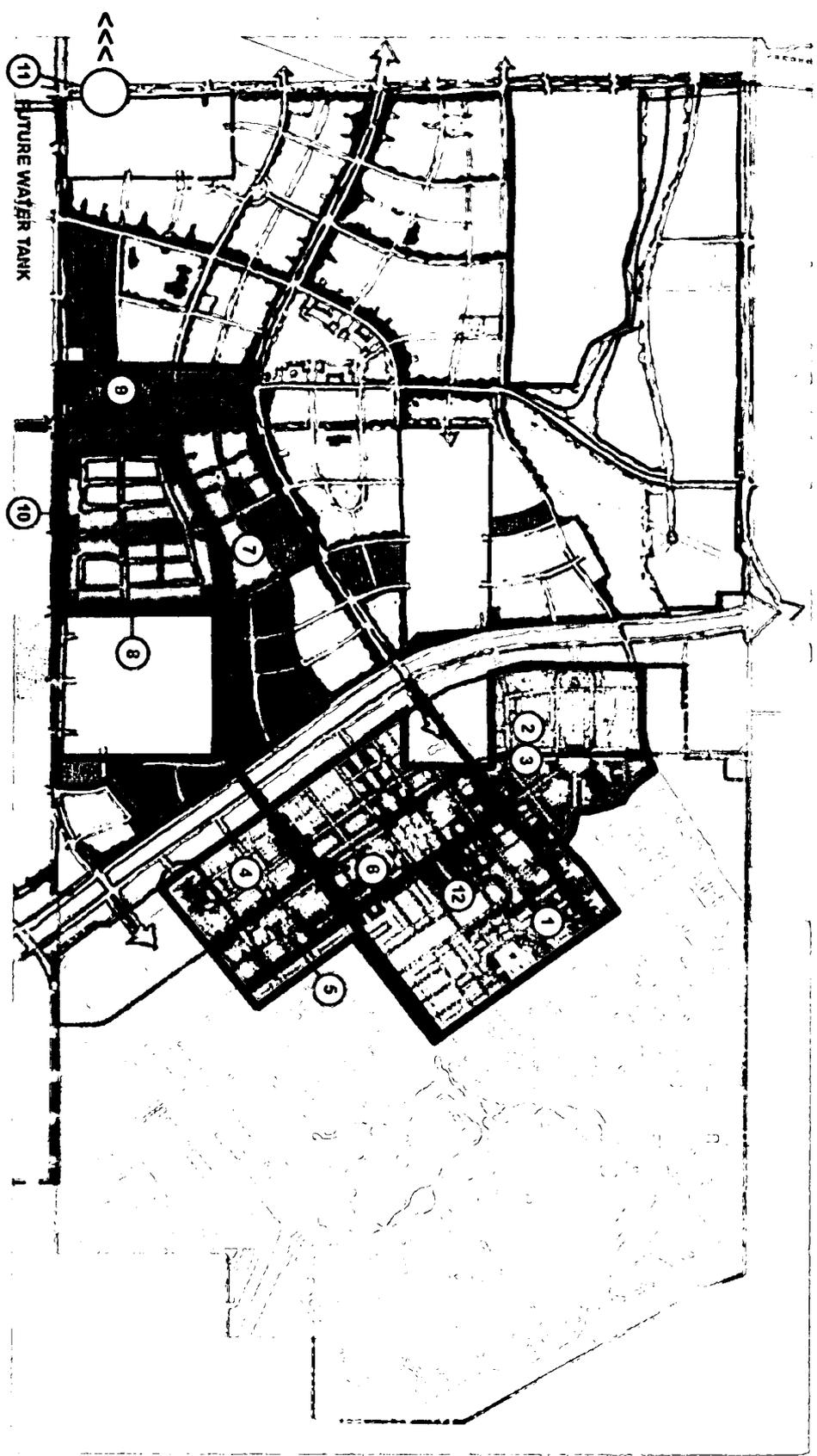


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CO. RECORDER

EXHIBIT E

MAP SHOWING IMPROVEMENTS

# Proposed infrastructure projects



# Project Summary

| Project                            |                                       | Project Cost        |
|------------------------------------|---------------------------------------|---------------------|
| Zone 1 Infrastructure              |                                       |                     |
| 1                                  | SJ PARKWAY-VILLAGE 5 WIDENING         | \$ 1,192,645        |
| 2                                  | SJ PARKWAY-EAST                       | \$ 3,876,057        |
| 3                                  | SJ PARKWAY-ROW ACQUISITION            | \$ 483,000          |
| 4                                  | GRANDVILLE-FROM EXISTING TO LAKE AVE  | \$ 2,484,575        |
| 5                                  | LAKE RUN-DUCKHORN TO LAKE AVE         | \$ 1,105,650        |
| 6                                  | LAKE AVENUE -FROM KESTREL RISE TO MVC | \$ 3,762,410        |
| 10.1                               | DB PKWY WEST-VILLAGE 7 AND 8 PORTION  | \$ 839,952          |
| 12                                 | LAKE RUN-LAKE AVE TO S. JORDAN PKWY   | <u>\$ 1,502,550</u> |
|                                    | Zone 1 Total                          | \$ 15,246,839       |
| Zone 2 Infrastructure / Water Zone |                                       |                     |
| 7                                  | LAKE AVENUE-FROM MVC TO VILLAGE 7     | \$ 4,551,370        |
| 8                                  | VILLAGE 7 AND 8 EAST ROAD             | \$ 1,904,120        |
| 9                                  | VILLAGE 7 WEST ROAD                   | \$ 974,670          |
| 10.2                               | DB PKWY WEST-VILLAGE 7 AND 8 PORTION  | \$ 839,952          |
| 11                                 | WATER TANK/TRANSMISSION LINES         | <u>\$ 7,458,015</u> |
|                                    | Zone 2 / Water Total                  | \$ 15,728,127       |
|                                    | Total Project                         | \$ 30,974,966       |

EXHIBIT B

ASSESSMENT AREA LEGAL DESCRIPTION AND TAX ID NUMBERS

Property Tax IDs: 2613401005, 2313300010, 2624200021, 2624200008, 2624326003, 2624100007, 2624100006, 2614200018, 2623300003, 2624300022, 2622400004, 2623100005, 2623200014, 2614300008

| <u>Classification</u> | <u>Improvements</u> | <u>Estimated Assessment</u> | <u>Total Number of ERUs</u> | <u>Estimated Assessment Per ERU</u> |
|-----------------------|---------------------|-----------------------------|-----------------------------|-------------------------------------|
| 1                     | Road Improvements   | \$17,080,479                | 7,601.08                    | \$2,247                             |
| 2                     | Road Improvements   | 9,264,706                   | 3,122.60                    | 2,967                               |
| 3                     | Water Improvements  | 8,354,943                   | 2,525.45                    | 3,308                               |

Each classification is more particularly described as follows:

ASSESSMENT AREA CLASSIFICATION 1

Beginning at a point that lies North 89°55'04" West 114.22 feet along the section line and South 1622.92 feet from the Northeast Corner of Section 14, Township 3 South, Range 2 West, Salt Lake Base and Meridian and running thence South 382.52 feet; thence South 01°44'09" West 346.62 feet; thence South 705.71 feet to a point on a 516.50 foot radius non tangent curve to the left, (radius bears East); thence along the arc of said curve 18.63 feet through a central angle of 02°04'00"; thence South 02°04'00" East 489.85 feet; thence South 43.87 feet to a point on a 1263.50 foot radius tangent curve to the left, (radius bears East); thence along the arc of said curve 246.43 feet through a central angle of 11°10'30" to a point of reverse curvature with a 83.50 foot radius tangent curve to the right, (radius bears South 78°49'30" West); thence along the arc of said curve 5.13 feet through a central angle of 03°31'07" to a point of reverse curvature with a 1269.00 foot radius tangent curve to the left, (radius bears North 82°20'37" East); thence along the arc of said curve 124.88 feet through a central angle of 05°38'19"; thence North 89°51'13" West 1260.02 feet to a point on a 5465.00 foot radius non tangent curve to the right, (radius bears North 74°56'03" East); thence along the arc of said curve 1441.65 feet through a central angle of 15°06'52"; thence North 00°02'49" East 869.49 feet; thence North 63°32'01" East 52.04 feet to a point on a 360.00 foot radius tangent curve to the right, (radius bears South 26°27'59" East); thence along the arc of said curve 166.10 feet through a central angle of 26°26'11"; thence North 89°58'11" East 1185.31 feet to the point of beginning. Property contains 73.225 acres.

Beginning at the Southwest Corner of Section 13, Township 3 South, Range 2 West, Salt Lake Base and Meridian and running thence North 00°02'53" East 1155.23 feet to a point

on a 1274.50 foot radius non tangent curve to the left, (radius bears North 65°32'53" East); thence along the arc of said curve 232.60 feet through a central angle of 10°27'24"; thence North 53°27'06" East 11.00 feet to a point on a 1263.50 foot radius non tangent curve to the left, (radius bears North 55°06'21" East); thence along the arc of said curve 36.48 feet through a central angle of 01°39'15"; thence South 36°32'54" East 2919.31 feet to a point on a 35063.50 foot radius tangent curve to the left, (radius bears North 53°27'06" East); thence along the arc of said curve 105.29 feet through a central angle of 00°10'19"; thence South 36°43'14" East 1806.66 feet; thence South 53°27'06" West 1229.67 feet; thence North 37°29'42" West 3351.17 feet; thence North 00°00'12" East 80.48 feet; thence North 33°22'56" West 1126.04 feet; thence North 89°58'54" East 619.62 feet to the point of beginning. Property contains 128.424 acres.

Beginning at a point that lies North 89°57'24" East 30.78 feet along the section line and South 1611.25 feet from the Northwest Corner of Section 13, Township 3 South, Range 2 West, Salt Lake Base and Meridian and running thence North 76°05'06" East 225.69 feet to a point on a 630.00 foot radius tangent curve to the left, (radius bears North 13°54'54" West); thence along the arc of said curve 127.99 feet through a central angle of 11°38'24"; thence South 36°32'54" East 509.64 feet to a point on a 784.50 foot radius tangent curve to the right, (radius bears South 53°27'06" West); thence along the arc of said curve 500.43 feet through a central angle of 36°32'54"; thence South 227.84 feet; thence West 230.48 feet; thence South 47.00 feet; thence East 44.50 feet; thence South 89.94 feet to a point on a 262.98 foot radius tangent curve to the left, (radius bears East); thence along the arc of said curve 169.25 feet through a central angle of 36°52'32"; thence North 53°27'06" East 30.50 feet to a point on a 234.50 foot radius non tangent curve to the right, (radius bears North 53°27'06" East); thence along the arc of said curve 149.59 feet through a central angle of 36°32'54"; thence North 89.94 feet; thence East 208.17 feet to a point on a 776.50 foot radius non tangent curve to the right, (radius bears South); thence along the arc of said curve 724.40 feet through a central angle of 53°27'06"; thence South 36°32'54" East 128.46 feet; thence South 53°27'06" West 12.50 feet; thence South 36°32'54" East 134.00 feet; thence North 53°27'06" East 1341.00 feet; thence South 36°32'54" East 2804.40 feet; thence North 53°27'06" East 6.00 feet; thence South 36°32'54" East 213.08 feet; thence South 53°27'06" West 859.00 feet; thence North 36°32'54" West 3.98 feet; thence South 53°27'06" West 316.00 feet; thence South 36°32'54" East 3.98 feet; thence South 53°27'06" West 1178.50 feet; thence South 36°32'54" East 1842.74 feet; thence South 53°27'06" West 766.83 feet; thence North 36°43'14" West 1799.54 feet to a point on a 34936.50 foot radius tangent curve to the right, (radius bears North 53°16'46" East); thence along the arc of said curve 104.91 feet through a central angle of 00°10'19"; thence North 36°32'54" West 2628.73 feet; thence North 32°44'04" West 172.88 feet; thence North 36°32'54" West 118.08 feet to a point on a 1125.00 foot radius tangent curve to the right, (radius bears North 53°27'06" East); thence along the arc of said curve 171.13 feet through a central angle of 08°42'57"; thence South 53°27'06" West 11.63 feet to a point on a 1136.50 foot radius non tangent curve to the right, (radius bears North 62°04'42" East); thence along the arc of said curve 553.84 feet through a central angle of 27°55'18"; thence North 667.63 feet to a point on a 304.00 foot radius non tangent curve to the left, (radius bears North 09°10'49" West); thence along the arc of said curve 857.63 feet through a central angle of 161°38'23";

thence North 515.80 feet; thence North 03°48'51" East 157.85 feet; thence North 57.11 feet to the point of beginning. Property contains 301.440 acres.

#### ASSESSMENT AREA CLASSIFICATION 2

Beginning at a point that lies South 89°55'04" East 2124.89 feet along the section line and South 7073.33 feet from the North Quarter Corner of Section 14, Township 3 South, Range 2 West, Salt Lake Base and Meridian and running thence South 36°48'17" East 2680.85 feet; thence South 53°27'06" West 876.77 feet; thence South 70°37'01" West 65.50 feet to a point on a 476.50 foot radius non tangent curve to the right, (radius bears South 70°37'01" West); thence along the arc of said curve 36.45 feet through a central angle of 04°22'58"; thence South 15°00'00" East 234.74 feet to a point on a 246.49 foot radius tangent curve to the right, (radius bears South 75°00'00" West); thence along the arc of said curve 67.26 feet through a central angle of 15°38'04" to a point of reverse curvature with a 253.49 foot radius tangent curve to the left, (radius bears South 89°21'56" East); thence along the arc of said curve 69.17 feet through a central angle of 15°38'04"; thence South 15°00'00" East 173.88 feet to a point on a 465.01 foot radius tangent curve to the right, (radius bears South 75°00'01" West); thence along the arc of said curve 124.21 feet through a central angle of 15°18'16"; thence South 00°18'17" West 54.17 feet; thence North 89°58'44" West 61.16 feet; thence South 18.50 feet; thence North 89°58'44" West 169.39 feet; thence North 00°00'34" East 85.00 feet; thence North 89°58'44" West 187.00 feet; thence South 00°00'34" West 85.00 feet; thence North 89°58'44" West 50.00 feet; thence North 00°00'34" East 2347.90 feet; thence South 89°56'04" West 2365.00 feet; thence South 00°00'34" West 2360.80 feet; thence South 89°56'12" West 282.34 feet; thence South 89°56'14" West 2647.81 feet; thence North 89°49'08" West 1707.80 feet; thence North 00°22'15" East 312.64 feet; thence North 12°48'08" East 661.47 feet; thence North 21°07'52" East 1901.04 feet to a point on a 2311.11 foot radius non tangent curve to the left, (radius bears North 10°30'16" East); thence along the arc of said curve 1953.22 feet through a central angle of 48°25'23"; thence South 53°12'46" East 85.00 feet; thence North 52°48'35" East 1418.69 feet; thence South 35°17'18" East 377.43 feet; thence South 29°50'58" East 442.11 feet; thence North 85°33'41" East 2176.13 feet to the point of beginning. Property contains 395.751 acres.

#### ASSESSMENT AREA CLASSIFICATION 3

Beginning at a point that lies South 89°55'04" East 314.58 feet along the section line and South 2101.05 feet from the North Quarter Corner of Section 14, Township 3 South, Range 2 West, Salt Lake Base and Meridian and running thence South 00°02'49" West 455.42 feet to a point on a 6295.00 foot radius tangent curve to the left, (radius bears South 89°57'11" East); thence along the arc of said curve 1435.94 feet through a central angle of 13°04'11"; thence North 89°51'12" West 3126.93 feet; thence South 00°02'36" East 1325.32 feet; thence North 89°58'44" East 2648.80 feet; thence North 89°58'54" East 940.18 feet to a point on a 6295.00 foot radius non tangent curve to the left, (radius bears North 64°15'10" East); thence along the arc of said curve 111.46 feet through a central angle of 01°00'52"; thence South 57°34'04" West 40.52 feet; thence South 58°03'07" West 46.76 feet; thence South 59°03'07" West 46.76 feet; thence South

60°03'08" West 46.76 feet; thence South 61°03'06" West 46.76 feet; thence South 61°38'42" West 8.62 feet; thence South 28°15'47" East 150.79 feet; thence North 61°03'08" East 58.53 feet; thence North 60°03'07" East 49.38 feet; thence North 59°03'07" East 49.38 feet; thence North 58°03'07" East 49.38 feet; thence North 57°50'03" East 27.33 feet to a point on a 6295.00 foot radius non tangent curve to the left, (radius bears North 61°51'38" East); thence along the arc of said curve 412.69 feet through a central angle of 03°45'22"; thence South 50°05'57" West 109.16 feet; thence South 31°46'39" West 961.92 feet; thence South 28°07'50" West 483.15 feet; thence South 18°20'04" West 316.63 feet; thence South 12°04'52" West 311.49 feet; thence South 00°00'34" West 374.16 feet; thence South 00°00'34" West 2360.80 feet; thence South 89°56'12" West 282.34 feet; thence South 89°56'14" West 2647.81 feet; thence North 89°49'08" West 1707.80 feet; thence North 00°22'15" East 312.64 feet; thence North 12°48'08" East 661.47 feet; thence North 21°07'52" East 1901.04 feet; thence North 21°07'52" East 949.66 feet; thence North 07°19'58" East 612.33 feet; thence North 07°19'58" East 1171.80 feet; thence North 53°07'08" East 157.22 feet; thence North 00°01'49" West 1394.39 feet to a point on a 1000.00 foot radius non tangent curve to the left, (radius bears North 24°15'33" West); thence along the arc of said curve 38.53 feet through a central angle of 02°12'27"; thence North 63°32'01" East 3471.13 feet to the point of beginning. Property contains 583.332 acres.