



OFFICE OF THE LIEUTENANT GOVERNOR

CERTIFICATE OF CREATION

I, Deidre M. Henderson, Lieutenant Governor of the State of Utah, hereby certify that there has been filed in my office a notice of creation for the GATEWAY AT SAND HOLLOW PUBLIC INFRASTRUCTURE DISTRICT #1, July 22, 2021 complying with Section 17-23-20, Utah Code Annotated, 1953, as amended.

Now, therefore, notice is hereby given to all whom it may concern that the attached is a true and correct copy of the notice of creation referred to above, on file with the Office of the Lieutenant Governor pertaining to GATEWAY AT SAND HOLLOW PUBLIC INFRASTRUCTURE DISTRICT #1, located in Washington County, State of Utah.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed the Great Seal of the State of Utah this 22nd day of July, 2021, at Salt Lake City, Utah.

DEIDRE M. HENDERSON
Lieutenant Governor

NOTICE OF IMPENDING BOUNDARY ACTION

(District No. 1)

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of the City of Hurricane, Utah (the "Council"), acting in its capacity as the creating entity for the Gateway at Sand Hollow Public Infrastructure District No. 1 (the "District"), at a regular meeting of the Council, duly convened pursuant to notice, on April 15, 2021 adopted a Resolution Providing for the Creation of a Public Infrastructure District, a true and correct copy of which is attached as EXHIBIT "A" hereto and incorporated by this reference herein (the "Creation Resolution").

A copy of the Final Local Entity Plat satisfying the applicable legal requirements as set forth in Utah Code Ann. §17-23-20, approved as a final local entity plat by the Surveyor of Washington County, Utah, is attached as EXHIBIT "B" hereto and incorporated by this reference. The Council hereby certifies that all requirements applicable to the creation of the District, as more particularly described in the Creation Resolution, have been met. The District is not anticipated to result in the employment of personnel.

WHEREFORE, the Council hereby respectfully requests the issuance of a Certificate of Incorporation pursuant to and in conformance with the provisions of Utah Code Ann. §17B-1-215.

DATED this 15th day of April, 2021.

CITY COUNCIL, THE CITY OF HURRICANE, UTAH,
acting in its capacity as the creating authority for the
Gateway at Sand Hollow Public Infrastructure District
No. 1,

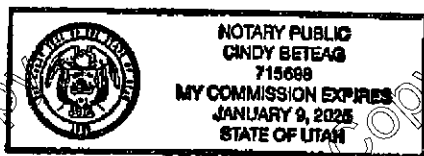
By: [Signature]
AUTHORIZED REPRESENTATIVE

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF WASHINGTON

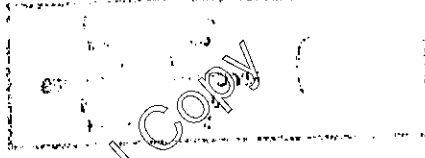
SUBSCRIBED AND SWORN to before me this 15th day of

April, 2021.



[Signature: Andy Beteng]
NOTARY PUBLIC

EXHIBIT "A" TO NOTICE OF BOUNDARY ACTION
Copy of the Creation Resolution



Hurricane, Utah

April 15, 2021

The City Council (the "Council") of the Hurricane City, Utah (the "City"), met in regular session (including by electronic means) on April 15, 2021, at its regular meeting place in Hurricane, Utah at 6:00 p.m., with the following members of the Council being present:

John Bramall	Mayor
Nanette Billings	Council Member
Darin Larson	Council Member
Joseph Prete	Council Member
Dave Sanders	Council Member
Kevin Tervort	Council Member

Also present:

Kaden DeMille	City Manager
Cindy Beteag	City Recorder

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 April 15, 2021 meeting, a copy of which is attached hereto as Exhibit A.

Thereupon, the following Resolution was introduced in writing, read in full and pursuant to motion duly made by Council Member LARSON and seconded by Council Member Tervort adopted by the following vote:

AYE: Darin Larson, Dave Sanders & Kevin Tervort

NAY: Nanette Billings & Joseph Prete

The resolution was later signed by the Chair and recorded by the City Recorder in the official records of the City. The resolution is as follows:

RESOLUTION 2021-10

A RESOLUTION OF THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF HURRICANE, UTAH (THE "CITY"), PROVIDING FOR THE CREATION OF GATEWAY AT SAND HOLLOW PUBLIC INFRASTRUCTURE DISTRICT NO. 1 (THE "DISTRICT") AS AN INDEPENDENT BODY CORPORATE AND POLITIC; AUTHORIZING AND APPROVING A GOVERNING DOCUMENT AND INTERLOCAL AGREEMENT; APPROVING OF AN ANNEXATION AREA; APPOINTING A BOARD OF TRUSTEES; AUTHORIZING OTHER DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, a petition (the "Petition") was filed with the City requesting adoption by resolution the approval of the creation of three separate public infrastructure districts pursuant to the Public Infrastructure District Act, Title 17B, Chapter 2a, Part 12, Utah Code Annotated 1953, as amended (the "PID Act") and relevant portions of the Limited Purpose Local Government Entities - Local Districts, Title 17B (together with the PID Act, the "Act") within the boundaries of the City and approve an annexation area (the "Annexation Area") which any of the districts may annex into therein without further approval or hearings of the City or the Council, as further described in Governing Document Exhibits A and C (as hereinafter defined) for the purpose of financing public infrastructure costs; and

WHEREAS, pursuant to the terms of the Act, the City may create one or more public infrastructure districts by adoption of a resolution of the Council and with consent of 100% of all surface property owners proposed to be included in the District (the "Property Owners"); and

WHEREAS, the Petition, containing the consent of such Property Owners has been certified by the Recorder of the City pursuant to the Act and it is in the best interests of the Property Owners that the creation of the District be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, the City prior to consideration of this Resolution, a public hearing was held to receive input from the public regarding the creation of the District and the Property Owners have waived the 60 day protest period pursuant to Section 17B-2a-1204 of the PID Act; and

WHEREAS, it is necessary to authorize the creation of the District under and in compliance with the laws of the State of Utah and to authorize other actions in connection therewith; and

WHEREAS, the governance of the District shall be in accordance with the PID Act and the terms of a governing document (the "Governing Document") attached hereto as Exhibit B and an Interlocal Agreement between the City and the District, attached to the Governing Document as Governing Document Exhibit D; and

WHEREAS, pursuant to the requirements of the Act, these shall be signed, authenticated, and submitted to the Office of the Lieutenant Governor of the State of Utah a Notice of Boundary Action attached hereto as Exhibit C (the "Boundary Notice") and a Final Entity Plat to be attached thereto as Boundary Notice Exhibit B (the "Plat").

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL, AS FOLLOWS:

1. Terms defined in the foregoing recitals shall have the same meaning when used herein. All action heretofore taken (not inconsistent with the provisions of this Resolution) by the Council and by officers of the Council directed toward the creation and establishment of the District, are hereby ratified, approved and confirmed.

2. The District is hereby created as a local district in accordance with the Governing Document and the Act. The boundaries of the District shall be as set forth in the Governing Document and the Plat.

3. Pursuant to the terms of the PID Act, the Council does hereby approve the annexation of any area within the Annexation Area Boundaries into the District without any further action of the Council or the City and further approves withdrawal of any area within the Initial District Boundaries (as defined in the Governing Document) or Annexation Area Boundaries from the District without any further action, hearings, or resolutions of the Council or the City, upon compliance with the terms of the PID Act and the Governing Document.

4. The Council does hereby authorize the District to provide services relating to the financing and construction of public infrastructure within the Annexation Area upon annexation thereof into the District without further request of the District to the City to provide such service under 17B-1-407, Utah Code Annotated 1953 or resolutions of the City under 17B-1-408, Utah Code Annotated 1953.

5. It is hereby found and determined by the Council that the creation of the District is appropriate to the general welfare, order and security of the City, and the organization of the District pursuant to the PID Act is hereby approved.

6. The Governing Document and the Interlocal Agreement in the form presented to this meeting and attached hereto as Exhibits B and Governing Document Exhibit D are hereby authorized and approved and the District shall be governed by the terms thereof and applicable law.

7. The District Board are hereby appointed as follows:

- (a) Trustee 1 -- Tim Tippet for an initial six-year term.
- (b) Trustee 2 -- Brent Moser for an initial six-year term.
- (c) Trustee 3 -- Jason Curtis for an initial four-year term.

(d) Such 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.

8. The Council does hereby authorize the Mayor or a Council Member to execute the Boundary Notice in substantially the form attached as Exhibit C and such other documents as shall be required to finalize the actions contemplated herein on behalf of the Council for submission to the Office of the Lieutenant Governor of the State of Utah.

9. Prior to certification of the creation of the District by the Office of the Lieutenant Governor of the State of Utah, the Council does hereby authorize the Mayor, a Council Member, or the City Manager to make any corrections, deletions, or additions to the Governing Document, the Interlocal Agreement, and the Boundary Notice or any other document herein authorized and approved (including, but not limited to, corrections to the property descriptions therein contained) which may be necessary to conform the same to the intent hereof, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States (provided that the debt and mill levy limitations established therein may not be modified pursuant to this provision).

10. The Board of Trustees of the District (the "District Board") is hereby authorized and directed to record such Governing Document with the recorder of Washington County within 30 days of the issuance of an issuance of the Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah.

11. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

12. All acts, orders and resolutions, and parts thereof in conflict with this Resolution be, and the same are hereby, rescinded.

13. This resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Hurricane, Utah, this
April 15, 2021.

CITY OF HURRICANE, UTAH

By: *John W. Small*
Mayor



ATTEST:

By: *Andy Bolens*
City Recorder

(Here follows other business not pertinent to the above.)

Pursuant to motion duly made and seconded, the meeting of the Board of the City adjourned.

By: _____
Chair

ATTEST:

By: _____
City Recorder

N/A

STATE OF UTAH)
) ss.
COUNTY OF WASHINGTON)

I, Cindy Betteg, the undersigned duly qualified and acting City Recorder of the City of Hurricane, Utah ("the City"), do hereby certify as follows:

The foregoing pages are a true, correct, and complete copy of the record of proceedings of the City Council (the "the Council"), had and taken at a lawful meeting of the Council on April 15, 2021, commencing at the hour of 6:00 p.m., as recorded in the regular official book of the proceedings of the Council kept in my office, and said proceedings were duly had and taken as therein shown, and the meeting therein shown was duly held, and the persons therein were present at said meeting as therein shown.

All members of the Council were duly notified of said meeting, pursuant to law.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the City, this April 15, 2021.

By: Cindy Betteg
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Cindy Beten, the undersigned of the City of Hurricane, Utah (the "City"), do hereby certify that I gave written public notice of the agenda, date, time and place of the regular meeting held by the Council (the "Council") on April 15, 2021, not less than 24 hours in advance of the meeting. The public notice was given in compliance with the requirements of the Utah Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended, by:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's principal offices 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; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be published on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2021 Annual Meeting Schedule for the Board of (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Council of the City to be held during the year, by causing said Notice to be (i) posted on 12/24/2020, at the principal office of the City; (ii) provided to at least one newspaper of general circulation within the geographic jurisdiction of the City on 12/24/2020 and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this April 15, 2021.

By: Cindy Beten
City Recorder

SCHEDULE 1

NOTICE OF MEETING AND AGENDA



Mayor
John Bramall

City Manager
Kaden DeMille

City of Hurricane

City Council
Nanette Billings
Darin Larson
Joseph Potts
Dave Sanders
Kevin Terwort

Hurricane City Council Meeting Agenda

April 15, 2021

4:00 PM

City Council Chambers 147 N 870 W, Hurricane

Notice is hereby given that the City Council will hold a Regular Meeting in the City Council Chambers 147 N 870 W, Hurricane, UT. This meeting will also be available via GoToMeeting. To join the meeting you can do the following: 1.

Download the GoToMeeting app and enter Access Code 111653501 2. Visit

<https://global.gotomeeting.com/join/111653501> 3. Dial 1(877) 240-3212 and enter Access Code 111653501

A silent roll call will be taken, followed by the Pledge of Allegiance and prayer by invitation.

THOSE WISHING TO SPEAK DURING PUBLIC FORUM MUST SIGN IN WITH THE RECORDER BY 6:00 P.M.

AGENDA

4:00 p.m. Work Meeting – Water for today and tomorrow presentation-Ken Richins

5:00 p.m. Pre-meeting - Discussion of Agenda Items, Department Reports

6:00 p.m. - Call to Order

Approval of minutes: February 18, 2021 and March 2, 2021 special meeting

Presentation of LPGA ads

6:15 p.m. – Public Forum – Comments from Public

Please Note: In order to be considerate of everyone attending the meeting and to more closely follow the published agenda, public comments will be limited to 2 minutes per person per item. A spokesperson representing a group to summarize their concerns will be allowed 5 minutes to speak. Repetitious commentary will not be allowed. If you need additional time, please request agenda time with Cindy Beteag in writing before 5:00 p.m. the Wednesday one week before the Council meeting.

OLD BUSINESS

1. Consideration and possible approval on an Amended Final Plat for Zion's Gate Estates, Phase 2 Lots 54 & 55 Amended. Vincent Blackmore Applicant.

NEW BUSINESS

1. Consideration and possible approval of the first amended Interlocal Agreement Supporting the Renewed Mojave Desert Tortoise Incidental Take Permit Issued to Washington County
2. Re-appointment of Michelle Cloud to the Planning Commission
3. Consideration and possible approval for a Final Site Plan for Sand Hollow RV, located at SR 9 and Rlington Parkway. Paul Patel Applicant, Jeff Mathis Agent.
4. Consideration and possible approval on an Amended Final Plat for Zion Village Townhomes PUD Phase 2 Amended #2. Jay Rice Applicant.
5. Consideration and possible approval on an Amended Final Plat for Tava Resort at Sand Hollow Phase 1 Amended. Brian Barro Applicant, Jared Madsen Agent

147 North 870 West • Hurricane, UT • 84737
Phone: (435) 635-2811 • Fax: (435) 635-4284

WFB: www.cityofhurricane.com/categories/mayor/city-council/

Hurricane City Council Agenda 2 -

6. Public Hearing to take comments on:
 - a. The proposed creation of the Gateway at Sand Hollow Public Infrastructure District No. 1, Gateway at Sand Hollow Public Infrastructure District No. 2, and Gateway at Sand Hollow Public Infrastructure District No. 3 (the "Proposed Districts") and to allow for public input on (i) whether the requested service is needed in the area of the applicable Proposed District, (ii) whether the service should be provided by the City or the Proposed District, and (iii) all other matters relating to the Proposed Districts.
7. Consideration and possible approval of a resolution creating Gateway at Sand Hollow Public Infrastructure District No. 1, (the "Proposed Districts"), appointing boards of trustees therefor, approving governing documents for the Proposed Districts, approving interlocal agreements with the City and the Proposed Districts, approving of an annexation area, and all other matters relating to the creation of the Proposed Districts.
8. Consideration and possible approval of a resolution creating Gateway at Sand Hollow Public Infrastructure District No. 2 (the "Proposed Districts"), appointing boards of trustees therefor, approving governing documents for the Proposed Districts, approving interlocal agreements with the City and the Proposed Districts, approving of an annexation area, and all other matters relating to the creation of the Proposed Districts.
9. Consideration and possible approval of a resolution creating Gateway at Sand Hollow Public Infrastructure District No. 3 (the "Proposed Districts"), appointing boards of trustees therefor, approving governing documents for the Proposed Districts, approving interlocal agreements with the City and the Proposed Districts, approving of an annexation area, and all other matters relating to the creation of the Proposed Districts.
10. Consideration and possible approval of a Resolution for the Final Plat Roadway Dedication for 2600 West-Fay Reber
11. Consideration and possible approval of an Ordinance amending rules and regulations pertaining to public and private fire hydrants-Joseph Prete
12. Mayor, Council and Staff reports
13. Closed Session
14. Adjournment

I hereby certify that the above notice was posted to the city website, (www.cityofhurricane.com) posted to the state public notice website, and at the following locations:

1. City office - 147 North 870 West, Hurricane, UT
2. The Post Office - 1075 West 100 North, Hurricane, UT
3. The Library - 36 South 300 West, Hurricane, UT

_____ for the City Recorder

SCHEDULE 2

NOTICE OF ANNUAL MEETING SCHEDULE

2021 Hurricane City Annual Meeting Notice

The **City Council** is scheduled to meet on the following dates:

January 7 & 21, February 4 & 18, March 4 & 18, April 1 & 15, May 6 & 20, June 3 & 17, July 1 & 15, August 5 & 19, September 2 & 16, October 7 & 21, November 4 & 18, and December 2 & 16. Meetings are held at 5:00 p.m. at 147 North 870 West.

The **Planning Commission** is scheduled to meet on the following dates:

January 14 & 27, February 11 & 24, March 11 & 24, April 8 & 28, May 13 & 26, June 10 & 23, July 8 & 28, August 12 & 25, September 9 & 22, October 14 & 27, November 17, and December 9. Meetings are held at 6:00 p.m. at 147 North 870 West.

The **Power Board** is scheduled to meet on the following dates:

January 26, February 23, March 30, April 27, May 25, June 29, July 27, August 31, September 28, October 26 and November 30 and December 28. Meetings are held at 3:00 p.m. at 526 West 600 North.

The **Water Board** meetings are scheduled for the following dates:

January 26, February 23, March 30, April 27, May 25, June 29, July 27, August 31, September 28, October 26 and November 30 and December 28. Meetings are held at 6:00 p.m. at 640 West 600 North.

The **Airport Board** meetings are scheduled for the following dates:

January 19, February 16, March 16, April 20, May 18, June 15, July 20, August 17, September 21, October 19, November 16, and December 21. Meetings are held at 9:00 a.m. at 147 North 870 West.

All meetings are open to the public. Agendas are posted on the city website:

cityofhurricane.com and on the Utah Public Notice website: pmn.utah.gov

Any meeting schedule changes will be posted at these same sites.

EXHIBIT B

GOVERNING DOCUMENT

**GOVERNING DOCUMENT
FOR
THE GATEWAY AT SAND HOLLOW PUBLIC INFRASTRUCTURE DISTRICT NO. 1**

HURRICANE CITY, UTAH

April 15, 2021

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EXHIBIT C	Initial District and Annexation Area Boundary Map
EXHIBIT D	Interlocal Agreement between the District and Hurricane City

INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Governing Document, its activities are subject to review by the City only insofar as they may deviate in a material matter from the requirements of the Governing Document. It is intended that the District will provide a part or all of the Public 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. The District is not being created to provide any ongoing operations and maintenance services.

B. Need for the District.

There are currently no other governmental entities, including the City, 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 the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

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

The City's objective in approving the Governing Document for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by taxes imposed and collected for no longer than the Maximum Debt Mill Levy Imposition Term for residential properties and at a tax mill levy no higher than the Maximum Debt Mill Levy for commercial and residential properties, and/or repaid by Assessments. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

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

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

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from Assessments or from tax revenues collected from a mill levy

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

II. DEFINITIONS

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

Annexation Area Boundaries: means the boundaries of the area described in the Annexation Area Boundary Map which have been approved by the City for annexation or withdrawal from or into one of the Districts upon the meeting of certain requirements.

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

Approved Development Plan: means a Preliminary Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the District Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time. For purposes of this Governing Document, the Ordinance Amending the Zoning Map for the Project approved on July 2, 2020 shall constitute an Approved Development Plan.

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

Board: means the board of trustees of the District.

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

City: means Hurricane City, Utah.

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

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

District: means the Gateway at Sand Hollow Public Infrastructure District.

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

Districts: means collectively, the District, The Gateway at Sand Hollow Public Infrastructure District No. 2, and The Gateway at Sand Hollow Public Infrastructure District No. 3, contemplated to be created contemporaneously with one another.

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

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

Financial Plan: means the Financial Plan described in Section VIII which describes (i) the potential means whereby the Public Improvements may be financed; (ii) how the Debt is expected to be incurred; and (iii) the estimated operating revenue derived from property taxes for the first budget year.

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

Governing Document: means this Governing Document for the District approved by the City Council.

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

Initial District Boundaries: means the boundaries of the area described in the Initial District Boundary Map.

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

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 for any given series of bonds as set forth in Section VIII.D below.

Municipal Advisor: means a consultant that: (i) advises Utah governmental entities on matters relating to the issuance of securities by Utah governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an 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.

Project: means the development or property commonly referred to as the Gateway at Sand Hollow.

PID Act: means Title 17D, Chapter 4 of the Utah Code, as amended from time to time and any successor statute thereto (references to the PID Act herein are as shall become effective on May 5, 2021).

Public Improvements: means a part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Local District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the District Area as determined by the Board.

Regional Improvements: means Public Improvements and facilities that benefit the District Area and which are to be financed pursuant to Section VII below.

State: means the State of Utah.

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

Trustee: means a member of the Board.

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

III. **BOUNDARIES**

The area of the Initial District Boundaries includes approximately seven hundred twenty-one (721.493) acres and the total area proposed to be included in the Annexation Area Boundaries is approximately eight hundred and nine (809.121) acres and includes all property within the District as well as an additional approximately eighty-eight (87.628) acres. A legal description of the Initial District Boundaries and the Annexation Area Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries and Annexation Area Boundaries is attached hereto as **Exhibit C**. It is anticipated that the District's boundaries may change from time to time as it undergoes annexations and withdrawals pursuant to Section 17B-4-201, Utah Code, subject to Article V below.

IV. **PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION**

The District Area consists of approximately two thousand (2,000) acres of mostly undeveloped land. The current assessed valuation of the District Area at build out, is expected to

be sufficient to reasonably discharge the Debt under the Financial Plan. The population of the District at build-out is estimated to be approximately 20,000 people.

Approval of this Governing Document by the City does not imply approval of the development of a specific area within the District, nor does it imply approval of the number of residential units or the total site/floor area of commercial or industrial buildings identified in this Governing Document or any of the exhibits attached thereto, unless the same is contained within an Approved Development Plan.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Governing Document Amendment.

The District shall have the power and authority to provide the Public Improvements within and without the boundaries of the District as such power and authority is described in the Local District Act, 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, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other appropriate public entity or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the District.

2. Improvements Limitation. Notwithstanding the provisions of Section V.A.1 above, without written authorization of the City the District shall not be authorized to finance the costs of any improvements or facilities which are to be ultimately owned by one of the Districts.

3. Construction Standards Limitation. 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. The District will obtain the City's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work.

4. Procurement. The District shall be subject to the Utah Procurement Code Title 63G, Chapter 11. Notwithstanding this requirement, the District may acquire completed or partially completed improvements for fair market value as reasonably determined by a surveyor or engineer that the City employs or engages.

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 their boundaries any property outside the District Area without the prior written consent of the City. 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 and the passage of a resolution of the Board approving such annexation.

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

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

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

7. Overlap Limitation. The Districts shall not impose 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 within the District Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

8. Initial Debt Limitation. On or before the effective date of approval by the City of an Approved Development Plan, the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any Assessments used for the purpose of repayment of Debt.

In addition, the District shall not be permitted to issue any Debt unless such initial Debt makes provision for the financing of park improvements in an amount of \$3,850,000 (representing 110% of the anticipated costs of the park improvements) of such Debt are used for park improvements. Such amount shall be required to be held separate from other proceeds of such Debt and released only upon sign off by the City. Upon completion of the park improvements to the satisfaction of the City, any funds being held for park improvements will be released to the District to pay costs of Public Improvements. The foregoing requirements may be met by any one of the Districts and upon the financing of at least \$3,500,000 in park improvements, such requirement shall no longer apply to the Debt of any District. The foregoing requirements may be waived or amended by express written confirmation by the City.

9. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of an aggregate amount of Seventy-Five Million Dollars (\$75,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by any of the Districts. In addition, the Total Debt Issuance Limitation does not apply to the District's pledge of its property tax revenues to the Debt of one of the other Districts. In the event two or more Districts create an interlocal agency to issue debt, only the par amount issued by such agency shall count against the Total Debt Issuance Limitation rather than the individual amounts pledged by each 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 a material modification of this Governing Document and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the City as part of a Governing Document Amendment.

H. Governing Document Amendment Requirement.

(a) This Governing Document has been designed with sufficient flexibility to enable the District to provide required facilities under evolving circumstances without the need for numerous amendments. Actions of the District which violate the limitations set forth in V.A.1-9 above or in VIII.B-G, shall be deemed to be material modifications to this Governing

Document and the City shall be entitled to all remedies available under State and local law to enjoin such actions of the District.

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

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan. An estimate of the costs of the Public Improvements which may be planned for, designed, acquired, constructed, installed, relocated, redeveloped, maintained or financed was prepared based upon a preliminary engineering survey and estimates derived from the zoning on the property in the District Area and is approximately Sixty-Eight Million Dollars (\$68,000,000).

All of the Public Improvements will be designed in such a way as to assure that the Public Improvements standards will be compatible with those of the City and/or any other applicable public entity and shall be in accordance with the requirements of the Approved Development Plan. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

VI. THE BOARD OF TRUSTEES

A. Board Composition. The Board shall be composed of 3 Trustees who shall be appointed by the City Council pursuant to the PID Act. Trustees 1, 2, and 3 shall initially be at large. Trustee terms shall be staggered with initial terms as follows: Trustee 2 shall serve an initial term of 4 years; Trustees 1 and 3 shall serve an initial term of 6 years. 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. Trustee 1. Trustee 1 shall transition to an elected seat upon 1,200 registered voters residing within the District.

2. Trustee 2. Trustee 2 shall transition to an elected seat upon 1,800 registered voters residing within the District.

3. Trustee 3. Trustee 3 shall transition to an elected seat upon 2,400 registered voters residing within the District.

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

D. Vacancy. Any vacancy on the Board shall be filled pursuant to the Local District Act.

E. Compensation. Only Trustees who are residents of the District may be compensated for services as Trustee. Such compensation shall be in accordance with State Law.

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

VII. REGIONAL IMPROVEMENTS

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

VIII. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. In addition, the District shall be permitted to finance the prepayment of impact fees for the Project. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Assessments and other legally available revenues. The total Debt that the Districts shall be permitted to issue shall not exceed Seventy-Five Million Dollars (\$75,000,000) and shall be permitted to be issued on a schedule and in such year or years as the District determine shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. Any portion of bonds issued to refund a prior issuance of debt by the District shall not count against the permitted total Debt. The Total Debt Issuance Limitation shall not apply to the District's pledge of its property tax revenues to the Debt of one of the other Districts. In the event two or more Districts create an interlocal agency to issue debt, only the par amount issued by such agency shall count against the Total Debt Issuance Limitation rather than the individual amounts pledged by each District. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon

at Taxable Property within the District and Assessments. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, penalties, or charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time.

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 fifteen percent (15%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Governing Document, State law and Federal law as then applicable to the issuance of public securities.

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 shall be 0.0045 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), Utah Code. Further, the Districts may not impose mill levies which aggregate in excess of 0.0045 per dollar of taxable value of taxable property in the District; provided that such levies shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code.

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

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. At the District's discretion, these may include the power to assess Assessments, penalties, or charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time. Except as described in Section VIII.C(a), the debt service mill levy in the District shall not exceed the Maximum Debt Mill Levy or, the Maximum Debt Mill Levy Imposition Term, except for repayment of General Obligation Debt.

The District shall not be permitted to charge an End User the costs of any portion of a Public Improvement for which such End User has already paid or is presently obligated to pay through any combination of mill levy, Assessment, or impact fee. This provision shall not prohibit the division of costs between mill levies, Assessments, or impact fees, but is intended to prevent double taxation of End Users for the costs of Public Improvements.

F. Debt Instrument Disclosure Requirement.

In the text of 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 as security for the indebtedness set forth in this Governing Document. Approval of this Governing Document shall not be construed as a guarantee by the City of payment of any of the District's obligations; nor shall anything in the Governing Document be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

H. District's Operating Costs.

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

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

I. Bond and Disclosure Counsel.

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

IX. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the City Manager's Office no later than 180 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 and terms of Board members and officers and progress towards milestones required for transition to elected Board;

4. District office contact information;

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

6. A summary of any litigation which involves the District Public Improvements as of the last day of the prior fiscal year;

7. 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;

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

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

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

11. 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);

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

13. 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.

XI. 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.

XI. DISCLOSURE TO PURCHASERS

Within thirty (30) days of the City adopting a resolution creating the District, the Board shall record a notice with the recorder of Washington County. Such notice shall (a) contain a description of the boundaries of the District, (b) state that a copy of this Governing Document is on file at the office of the City, (c) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the Maximum Debt Mill Levy of the District; and (d) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. Such notice shall further be filed with the City.

In addition, the Applicant and the Board shall ensure that the Applicant, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants:

- (1) All of the information in the first paragraph of this 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 \$450 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 D**. The District shall approve the Interlocal Agreement in the form attached as **Exhibit D** at its first Board meeting after its organization. Failure of the District to execute the Interlocal Agreement as required herein shall constitute a material modification and shall require a Governing Document Amendment. The City Council shall approve the Interlocal Agreement in the form attached as **Exhibit D** at the public hearing approving the Governing Document.

EXHIBIT A

Legal Descriptions

DISTRICT NO. 1 INITIAL BOUNDARY LEGAL DESCRIPTION

COMMENCING AT THE NORTHEAST CORNER OF SECTION 1, TOWNSHIP 42 SOUTH, RANGE 14 WEST, SALT LAKE BASE AND MERIDIAN; THENCE N89°09'26"E 1052.31 FEET TO THE POINT OF BEGINNING, SAID POINT BEING ON THE SOUTH BOUNDARY LINE OF STATE ROUTE 9; RUNNING THENCE N74°47'01"E, ALONG SAID BOUNDARY LINE, 500.00 FEET; THENCE S15°12'59"E 1297.98 FEET; THENCE S23°01'39"E 90.00 FEET; THENCE WESTERLY ALONG THE ARC OF A 585.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (LONG CHORD BEARS: S70°52'58"W 79.79 FEET, CENTER POINT LIES N23°01'39"W), THROUGH A CENTRAL ANGLE OF 07°49'13" A DISTANCE OF 79.85 FEET; THENCE S74°47'34"W 72.38 FEET; THENCE S50°56'33"W 264.94 FEET; THENCE S39°38'00"W 186.58 FEET; THENCE S54°55'10"W 219.45 FEET; THENCE S63°52'48"W 234.43 FEET; THENCE S44°24'42"W 185.48 FEET; THENCE S43°06'48"E 193.15 FEET; THENCE N88°56'53"E 154.60 FEET; THENCE S19°58'08"E 55.42 FEET; THENCE S69°07'16"W 172.46 FEET; THENCE S75°48'20"W 350.23 FEET; THENCE N49°23'55"W 225.11 FEET; THENCE N61°08'29"W 141.01 FEET; THENCE S79°20'00"W 158.99 FEET; THENCE N57°24'10"W 39.02 FEET; THENCE S65°45'38"W 251.51 FEET; THENCE N87°40'07"W 427.72 FEET; THENCE S47°01'49"W 315.47 FEET; THENCE S00°00'39"W 153.25 FEET; THENCE S48°21'25"W 90.28 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF A 442.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT (LONG CHORD BEARS: S47°56'22"E 96.95 FEET, CENTER POINT LIES N48°21'25"E), THROUGH A CENTRAL ANGLE OF 12°35'34" A DISTANCE OF 97.15 FEET; THENCE S54°14'09"E 438.37 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF A 433.55 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT (LONG CHORD BEARS: S26°33'15"E 385.92 FEET, CENTER POINT LIES S36°31'06"W), THROUGH A CENTRAL ANGLE OF 52°51'19" A DISTANCE OF 399.95 FEET; THENCE S01°22'30"W 1762.81 FEET; THENCE S01°11'07"W 1322.06 FEET TO A POINT ON THE EAST-WEST 1/16TH LINE OF SECTION 12, TOWNSHIP 42 SOUTH, RANGE 14 WEST, SALT LAKE BASE AND MERIDIAN; THENCE N88°24'20"W, ALONG SAID LINE, 1290.05 FEET TO A POINT ON THE NORTH-SOUTH 1/16TH SECTION LINE OF SECTION 12; THENCE S01°12'47"W, ALONG SAID SECTION LINE, 1617.40 FEET; THENCE N88°29'57"W 2484.48 FEET; THENCE WESTERLY ALONG THE ARC OF A 500.00 FOOT RADIUS CURVE TO THE LEFT (LONG CHORD BEARS: S79°00'48"W 216.23 FEET, CENTER POINT LIES S01°30'03"W), THROUGH A CENTRAL ANGLE OF 24°58'30" A DISTANCE OF 217.95 FEET; THENCE S66°31'33"W 453.24 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A 2000.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT (LONG CHORD BEARS: N31°16'29"W 542.90 FEET, CENTER POINT LIES S66°31'33"W), THROUGH A CENTRAL ANGLE OF 15°36'04" A DISTANCE OF 544.58 FEET; THENCE N39°04'31"W 289.66 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A 2523.75 FOOT RADIUS CURVE TO THE LEFT (LONG CHORD BEARS: N41°13'55"W 189.96 FEET, CENTER POINT LIES S50°55'29"W), THROUGH A CENTRAL ANGLE OF 04°18'49" A DISTANCE OF 190.00 FEET; THENCE N43°23'20"W 370.56 FEET TO A POINT ON THE WEST SECTION LINE

OF SECTION 12; THENCE N01°07'24"E, ALONG SAID SECTION LINE, 1195.02 FEET; THENCE N88°50'38"W 997.47 FEET; THENCE N01°06'28"E 238.23 FEET; THENCE S88°51'06"E 26.64 FEET; THENCE N03°04'53"E 551.57 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF A 398.16 FOOT RADIUS CURVE TO THE RIGHT (LONG CHORD BEARS: N26°30'07"E 316.52 FEET, CENTER POINT LIES S86°55'07"E), THROUGH A CENTRAL ANGLE OF 46°50'28" A DISTANCE OF 325.51 FEET; THENCE N49°39'18"E 250.77 FEET; THENCE N43°53'59"E 146.42 FEET; THENCE N36°48'28"E 152.80 FEET; THENCE NORTHERLY ALONG THE ARC OF A 250.01 FOOT RADIUS CURVE TO THE LEFT (LONG CHORD BEARS: N18°13'52"E 159.29 FEET, CENTER POINT LIES N53°11'32"W), THROUGH A CENTRAL ANGLE OF 37°09'12" A DISTANCE OF 162.12 FEET; THENCE S88°50'24"E 241.62 FEET TO A POINT ON THE NORTHERLY BOUNDARY LINE OF SAND HOLLOW ROAD; THENCE N52°30'29"E, ALONG SAID BOUNDARY LINE, 1048.00 FEET; THENCE N01°21'56"E 1258.10 FEET; THENCE S88°25'54"E 1991.79 FEET TO A POINT ON THE NORTH-SOUTH 1/4TH SECTION LINE OF SECTION 1; THENCE N01°24'30"E, ALONG SAID SECTION LINE, 1349.06 FEET; THENCE S88°42'35"E 253.88 FEET; THENCE N74°38'06"E 1096.69 FEET; THENCE S15°13'00"E 1306.80 FEET; THENCE N74°47'01"E 2500.00 FEET; THENCE N15°12'59"W 1506.79 FEET TO THE POINT OF BEGINNING.

AREA CONTAINS 31,428,235 SQUARE FEET OR 721.493 ACRES.

Annexation Area Boundaries

The Annexation Area shall be comprised of the Initial District Boundaries of the District as well as the following:

[Omitted for submission to LT GOV]

[Omitted for submission to LTGOV]

EXHIBIT B

Hurricane City Vicinity Map

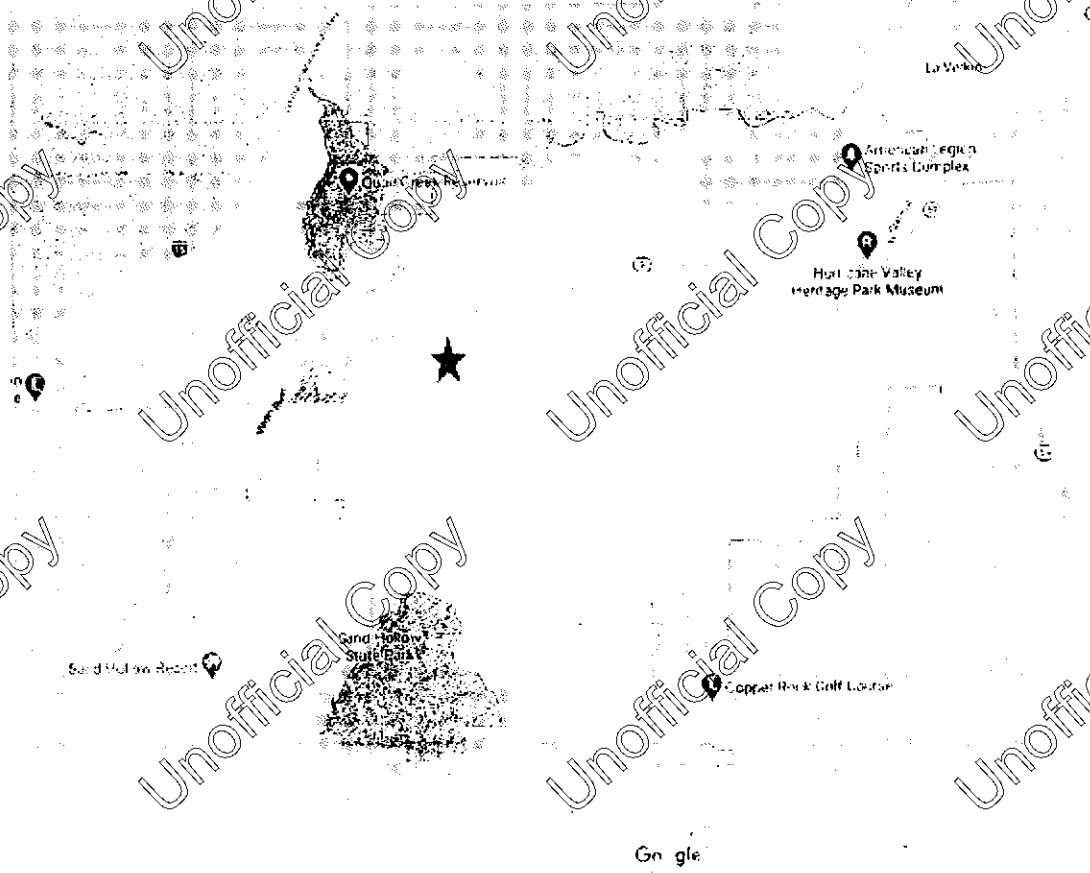


EXHIBIT C

Initial District and Annexation Area Boundary Map

LEGEND

[Stippled pattern]	PROPOSED SECTION AREA DISTRICT 1
[Horizontal line pattern]	POSSIBLE ANNEXATION AREAS DISTRICTS 1, 2 AND 3
[Vertical line pattern]	PROPOSED SECTION AREA DISTRICT 2
[Dotted pattern]	PROPOSED SECTION AREA DISTRICT 3
[Dashed line]	PROPOSED SECTION AREA BOUNDARY LINE

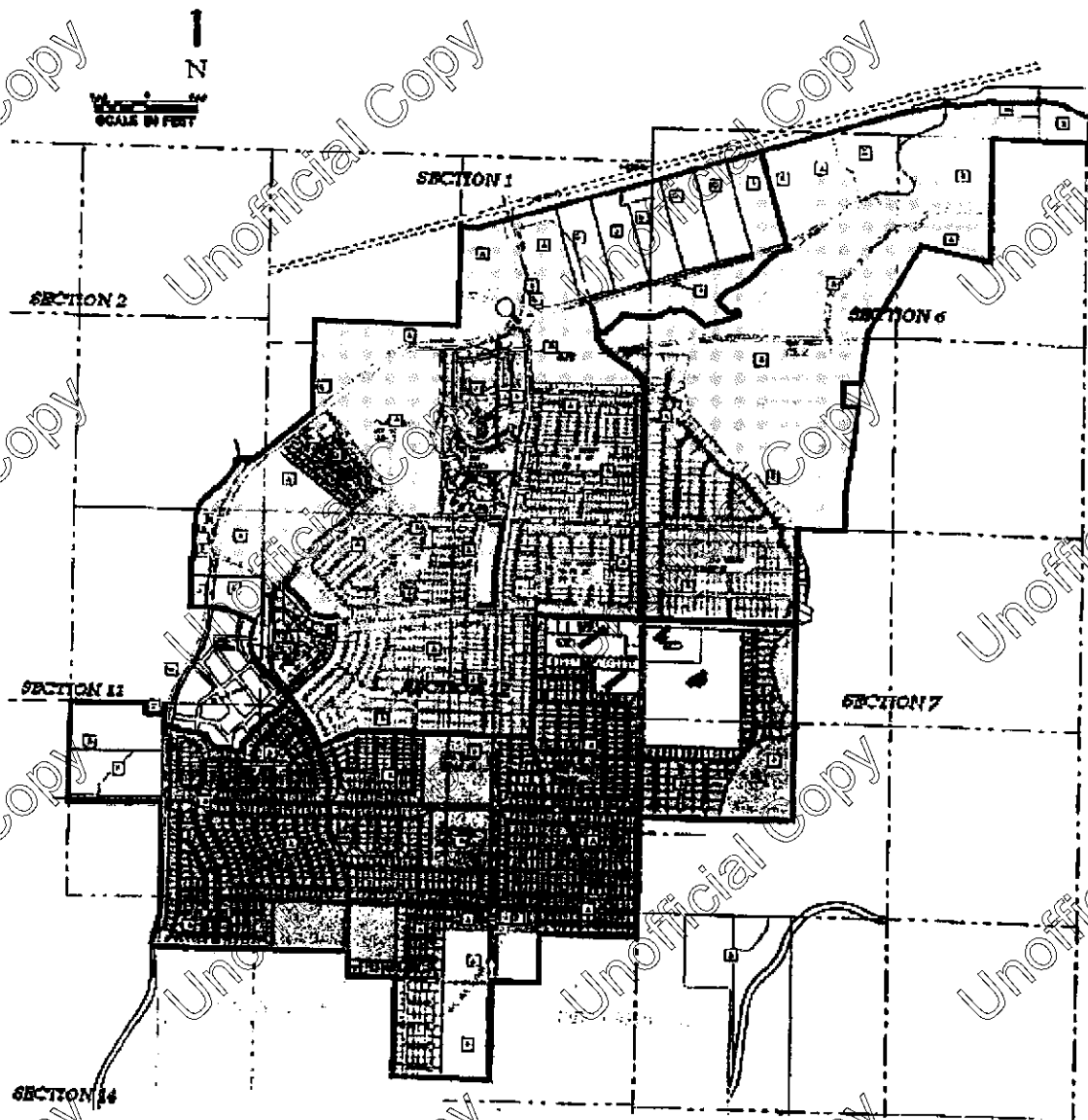


EXHIBIT D

**INTERLOCAL AGREEMENT BETWEEN
THE HURRICANE CITY, UTAH
AND
THE GATEWAY AT SAND HOLLOW PUBLIC INFRASTRUCTURE DISTRICT NO. 1**

THIS AGREEMENT is made and entered into as of this ___ day of _____, by and between the HURRICANE CITY, a home-rule municipal corporation of the State of Utah ("City"), and THE GATEWAY AT SAND HOLLOW PUBLIC INFRASTRUCTURE DISTRICT NO. 1, a political subdivision of the State of Utah (the "District"). The City and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to provide to exercise powers as are more specifically set forth in the District's Governing Document approved by the City on April 15, 2021 ("Governing Document"); and

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

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

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

COVENANTS AND AGREEMENTS

1. **Operations and Maintenance.** The District shall dedicate the Public Improvements (as defined in the Governing Document) to the City or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code. The District shall be authorized, but not obligated, to own Public Improvements not otherwise required to be dedicated to the City or other public entity, and all necessary equipment and appurtenances incident thereto. Trails which are interconnected with a city or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the District.

2. **Improvements Limitation.** Without written authorization of the City, the District shall not be authorized to finance the costs of any improvements or facilities which are to be ultimately owned by one of the Districts.

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

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

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

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

5. Inclusion Limitation. The District shall not include within any of their boundaries any property outside the District Area without the prior written consent of the City. By the Governing Document, the City has consented to the annexation or withdrawal of any area within the Annexation Area into or from the District Boundaries. The District shall not include within any of its boundaries any property inside the inclusion 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.

6. Overlap Limitation. The Districts shall not impose 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 within the District Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

7. Initial Debt. On or before the effective date of approval by the City of an Approved Development Plan (as defined in the Governing Document), the District shall not: (a) issue any Debt; nor (b) impose a mill levy for the payment of Debt by direct imposition or by transfer of funds from the operating fund to the Debt service funds; nor (c) impose and collect any fees used for the purpose of repayment of Debt.

8. Total Debt Issuance. The Districts shall not issue Debt in excess of an aggregate amount of Seventy-Five Million Dollars (\$75,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by any of the Districts. In addition, the Total Debt Issuance Limitation does not apply to the District's pledge of its property tax revenues to the Debt

of one of the other Districts. In the event two or more Districts create an interlocal agency to issue debt, only the par amount issued by such agency shall count against the Total Debt Issuance Limitation rather than the individual amounts pledged by each District.

9. Bankruptcy. All of the limitations contained in this 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 a Governing Document Amendment; and

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

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

10. 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.

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

In addition, the Applicant and the Board shall ensure that the Applicant, homebuilders, commercial developers, and commercial lessors, as applicable, disclose the following information to initial resident homeowners, renters, commercial property owners, and/or commercial tenants:

(a) All of the information in the first paragraph of 11 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 \$450 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.

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

13. Annual Report. The District shall be responsible for submitting an annual report to the City Manager's Office no later than 180 days following the closing of the District's fiscal year, containing the information set forth in Section VIII of the Governing Document.

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

15. 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 0.0045 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). Further, the Districts may not impose mill levies which aggregate in excess of 0.0045 per dollar of taxable value of taxable property in the District; provided that such levies shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code.

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

16. 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").

17. 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: Gateway at Sand Hollow Public Infrastructure
District No. 1
3351 South Sand Hollow RD
Hurricane, UT 84737
Attn: Brent Moser
Phone:

To the City: Hurricane City
147 N 870 W
Hurricane, UT 84737
Attn: City Manager
Phone: (435) 635-2811

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.

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

19. 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.

20. 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.

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

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

23. 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.

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

25. 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.

26. 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.

27. 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.

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

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

[SIGNATURE PAGE TO INTERLOCAL AGREEMENT]

THE GATEWAY AT SAND HOLLOW
PUBLIC INFRASTRUCTURE DISTRICT
NO. 1

By: _____
President

Attest:

Secretary

APPROVED AS TO FORM: _____

HURRICANE CITY, UTAH

By: _____
Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____

EXHIBIT "B" TO NOTICE OF BOUNDARY ACTION

Final Local Entity Plat

