

WHEN RECORDED RETURN TO:

Herriman City Recorder
5355 W Herriman Main St
Herriman, UT 84096

14086764 B: 11408 P: 9235 Total Pages: 37
03/28/2023 11:25 AM By: adavis Fees \$0.00
Rashelle Hobbs, Recorder, Salt Lake County, Utah
Return To HERRIMAN CITY RECORDER
5355 W HERRIMAN MAIN ST HERRIMAN, UT 84096



RESOLUTION NO. R16-2023

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF HERRIMAN, UTAH,
AUTHORIZING THE AMENDMENT TO THE GOVERNING DOCUMENTS FOR
THE AUTO MALL AND RETAIL PUBLIC INFRASTRUTURE DISTRICT.

WHEREAS, Last year, the City Council approved a Master Development Agreement and
Public Infrastructure District for the Auto Mall area.

WHEREAS, With the increase in rates and construction costs, the PID Board requests that
the City Council amend the Governing Documents, as shown in Exhibit A.

WHEREAS, the City Council finds that the Amendment will enhance the health, safety and
welfare of the residents.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
HERRIMAN, UTAH:

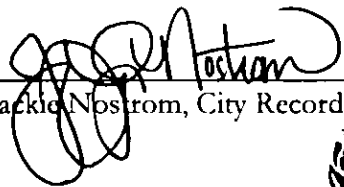
SECTION 1. Amendment. The Governing Documents are hereby amended as shown in
Exhibit A.

SECTION 2. Effective Date. This Resolution shall become effective immediately upon
passage.

APPROVED BY THE CITY COUNCIL OF THE CITY OF HERRIMAN, UTAH, ON
THIS 22nd DAY OF MARCH 2023.

HERRIMAN CITY COUNCIL

Attest:


Jackie Nostrom, City Recorder

Mayor:



Loren Palmer



EXHIBIT A

(Amendment)

**AMENDED GOVERNING DOCUMENT
FOR
AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT
HERRIMAN CITY, UTAH**

Prepared

by

Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
Salt Lake City, Utah 84101

March 22, 2023

TABLE OF CONTENTS

I. INTRODUCTION1
A. Purpose and Intent1
B. Need for the District1
C. Objective of the City Regarding District’s Governing Document.1

II. DEFINITIONS2

III. BOUNDARIES.....5

IV. PROPOSED LAND USE5

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES5
A. Powers of the District and Governing Document Amendment5
1. Operations and Maintenance Limitation ...**Error! Bookmark not defined.**
2. Reserved6
3. Construction Standards Limitation6
4. Procurement6
5. Privately Placed Debt Limitation.....6
6. Annexation and Withdrawal.6
7. Overlap Limitation.....7
8. Initial Debt Limitation7
9. Total Debt Issuance Limitation7
10. Bankruptcy Limitation.....7
11. Governing Document Amendment Requirement8
B. Preliminary Engineering Survey.....8

VI. THE BOARD OF TRUSTEES.....8
A. Board Composition.....8
B. Transition to Elected Board.....9
C. Reelection and Reappointment.....9
D. Vacancy.....9
E. Compensation.....9
F. Conflicts of Interest9

VII. REGIONAL IMPROVEMENTS9

VIII. FINANCIAL PLAN9
A. General.....9
B. Maximum Voted Interest Rate and Maximum Underwriting Discount.10
C. Maximum Debt Mill Levy.....10
D. Maximum Debt Mill Levy Imposition Term.....10
E. Debt Repayment Sources.....10
F. Debt Instrument Disclosure Requirement.10
G. Security for Debt.....11
H. District’s Operating Costs.....11
I. Bond and Disclosure Counsel.....11

IX.	ANNUAL REPORT	11
	A. General.....	11
	B. Reporting of Significant Events.....	12
X.	DISSOLUTION	12
XI.	DISCLOSURE TO PURCHASERS.....	13
XII.	INTERLOCAL AGREEMENT.....	13

LIST OF EXHIBITS

EXHIBIT A	Legal Descriptions
EXHIBIT B	Herriman City Vicinity Map
EXHIBIT C	Initial District and Annexation Area Boundary Map
EXHIBIT D	Interlocal Agreement between the District and Herriman City
EXHIBIT E	Estimated Costs and Description of Public Improvements

I. INTRODUCTION

A. Purpose and Intent.

The District is an independent unit of local government, separate and distinct from the City, and, except as may otherwise be provided for by State or local law or this Governing Document, its activities are subject to review by the City only 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.

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

The City's objective in approving this amended Governing Document for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by taxes imposed and collected on commercial properties for no longer than the Maximum Debt Mill Levy Imposition Term and at a tax mill levy no higher than the Maximum Debt Mill Levy, and/or repaid by Assessments. Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate commercial 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. Operational activities are allowed, but only through an Interlocal Agreement with the City or other relevant public entity with written consent of the City.

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 (or repaid from a combination of Assessments and a mill levy). 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 and as particularly described in **Exhibit A-2** which are approved by the City for annexation or withdrawal from or into the District 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, Development Agreement, 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. An infrastructure plan approved by the City Manager or Planning Director shall constitute an Approved Development Plan for purposes of Section V.A.8. For purposes of this Governing Document, the Master Development Agreement dated _____, 2022 shall constitute an Approved Development Plan.

Assessment: means (i) the levy of an assessment secured by a lien on property within a District to pay for the costs of Public Improvements benefitting such property or (2) an assessment by a District levied on private property within such District to cover the costs of an energy efficient upgrade, a renewable energy system, or an electric vehicle charging infrastructure, each as may be levied pursuant to the Assessment Act.

Assessment Act: means collectively, (i) Title 11, Chapter 42, Utah Code as may be amended from time to time and (ii) the C-PACE Act.

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 Herriman City, Utah.

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

City Council: means the City Council of the City.

C-PACE Act: means title 11, Chapter 42a of the Utah Code, as amended from time to time.

C-PACE Bonds: means bonds, loans, notes, or other structures and obligations of the District issued pursuant to the C-PACE Act, including refunding C-PACE Bonds.

C-PACE Assessments: means assessments levied under the C-PACE Act.

District: means the Auto Mall and Retail Public Infrastructure District.

District Act: means the Local District Act and the PID Act.

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

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 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 and as particularly described in **Exhibit A-1**.

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 underwriter, investment banker, or individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Project: means the development or property commonly referred to as the Herriman Auto Mall Commercial Project.

PID Act: means Title 17D, Chapter 4 of the Utah Code, as amended from time to time and any successor statute thereto.

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 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 69.3 acres and the total area proposed to be included in the Annexation Area Boundaries is approximately 18.9 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 17D-4-201, Utah Code, subject to Article V below.

IV. PROPOSED LAND USE

The District Area consists of mostly undeveloped land. The 2022 estimated assessed valuation of the District Area within the Initial District Boundaries was \$21,253,737. This valuation is solely for purposes of this Governing Document, and at build out, is expected to be sufficient to reasonably discharge the Debt under the Financial Plan. The District is not anticipated to have any residents at buildout.

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 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 separately approved by the City in accordance with the City Code.

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 District Act and other applicable statutes, common law and the Constitution, subject to any limitations set forth herein.

1. Improvements.

(a) 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. The District shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity.

(b) Notwithstanding the foregoing, prior to or contemporaneous with providing for the planning, design, acquisition, construction, installation, relocation, maintenance, and financing of any other Public Improvements the District must have arranged for the financing of the Public Improvements relating to the proposed Herriman Auto Row and Miller Crossing

Drive within the Project, as further identified and described as the Automall Infrastructure Improvements in **Exhibit E** (the “Auto Mall Improvements”).

(c) The estimated costs for the Public Improvements described in **Exhibit E** do not include any costs associated with raising the debt and/or equity required to fund such expenses and are estimates only. These estimates are subject to change based on the final construction plans approved by the City and so long as financing sufficient to build such improvements as set forth the plans approved by the City has been arranged, then the District’s obligation with respect to the Auto Mall Improvements shall be considered satisfied.

2. Reserved.

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. Public Improvements shall be subject to the ordinary inspection and approval procedures of the City and other governmental entities having proper jurisdiction.

4. Procurement. The District shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. Notwithstanding this requirement, the Districts may acquire completed or partially completed improvements for fair market value as reasonably determined by any one of a surveyor or engineer that such District employs or engages to perform the necessary engineering services for and to supervise the construction or installation of the improvements.

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 its boundaries any property outside the District Area without the prior written consent of the City. The City, by approval of 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, approval of 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 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.

9. Total Debt Issuance Limitation. The District shall not issue Debt in excess of an aggregate amount of Twenty-eight Million Dollars (\$28,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the District. In addition, any C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the C-PACE Act.

10. Bankruptcy Limitation. All of the limitations contained in the 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.

11. 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 Council and the District Board approving such amendment.

B. Preliminary Engineering Survey.

The District shall have authority to provide for the p!anning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, as specified application materials relating to the District and as may be further 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 Seventeen Million Nine Hundred Sixty-eight Thousand Dollars (\$17,968,000).

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. All construction cost estimates are based on the assumption that construction conforms to applicable local, State or Federal requirements.

VI. THE BOARD OF TRUSTEES

A. Board Composition. The Board shall be composed of three Trustees who shall be appointed by the City Council pursuant to the PID Act. Trustees 1, 2, and 3 shall be at large seats. Trustee terms shall be staggered with initial terms as follows: Trustees 1 and 3 shall serve an initial term of six (6) years; Trustee 2 shall serve an initial term of four (4) years. In accordance with the PID Act, appointed Trustees shall not be required to be residents of the District.

B. Transition to Elected Board. Because there are not anticipated to be any residents within the District, the Board shall continue to be appointed by the City Council and comprised of owners of land or agents and officers of an owner of land within the boundaries of 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 PID Act. 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 pursuant to the Local District Act and in accordance with the Local District Act.

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

E. Compensation. Unless otherwise permitted by the PID Act, 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, or both, and other legally available revenues. The District shall not issue Debt in excess of an aggregate amount of Twenty-eight Million Dollars (\$28,000,000). The total Debt 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. In addition, any C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the C-PACE Act. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including general ad valorem taxes to be imposed upon all Taxable Property within

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

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, 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 0.010 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.

(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 Two Hundred Thousand Dollars (\$200,000), 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 210 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 last day of the prior fiscal year, if changed.
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, if changed;
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, if any;
7. Status of the District's construction of the Public Improvements as of December 31 of the prior year and listing all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of 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. Financial statements of the District for the most recent completed fiscal year (such statements shall be audited if required by bond documents or statute);
12. Notice of any uncured events of default by the District, which continue beyond a ninety (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 ninety (90) day period.

X. DISSOLUTION

Upon an independent determination of each District Board that the purposes for which such District was created have been accomplished, the District shall file petitions for dissolution,

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

XI. DISCLOSURE TO PURCHASERS

Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation, each Board shall record a notice with the recorder of Salt Lake County. Such notice shall (a) contain a description of the boundaries of the District, (b) state that a copy of this Governing Document is on file at the office of the City, (c) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the Maximum Debt Mill Levy of the District; and (e) if applicable, state 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, commercial developers, and commercial lessors, as applicable, disclose the following information to End Users:

- (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 \$1,000** 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 creation. 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 Description of the Initial District Boundaries

AMSD:

Herriman 73 Partners, LLC Parcel

A parcel of land situated within the East half (E-1/2) of Section 25, Township 3 South, Range 2 West, Salt Lake Base and Meridian, located in Herriman City, County of Salt Lake, State of Utah, being more particularly described as follows:

Beginning at the Northwest corner of Midas Crossing Retail Center Subdivision, said Northwest corner also being a point of intersection with the North line of Myler Crossing Street and the Easterly line of Herriman Main Street, said point being South $89^{\circ}36'54''$ East, along the South line of the Southeast Quarter, a distance of 1128.25 feet and North $0^{\circ}23'06''$ East, perpendicular to said section line, a distance of 666.60 feet, from the South Quarter corner of said Section 25; and running thence Northwesterly along the arc of a Non-Tangent Curve, said curve turning to the left through an angle of $32^{\circ}35'31''$, having a radius of 1593.00 feet, and whose long chord bears N $22^{\circ}43'50''$ W, for a distance of 893.99 feet; thence departing said Easterly line of Herriman Main Street bearing N $51^{\circ}06'17''$ E, a distance of 284.58 feet; thence S $89^{\circ}54'40''$ E, a distance of 332.40 feet; thence N $00^{\circ}21'49''$ E, for a distance of 974.98 feet, to the East-West Center Quarter Line; thence S $89^{\circ}38'17''$ E for a distance of 197.89 feet, more or less, to a point on the Westerly line of Mountainview, said point being on the arc of a non-tangential curve; thence, more or less, along the arc of said curve turning to the right through an angle of $19^{\circ}10'13''$, having a radius of 5634.47 feet, and whose long chord bears S $21^{\circ}56'22''$ E, a distance of 1876.43 feet; thence S $07^{\circ}05'16''$ E, more or less continuing along said Westerly line, a distance of 100.13 feet; thence S $11^{\circ}46'12''$ E, more or less, continuing along said Westerly line, a distance of 200.78 feet, to the Northeast corner of Midas Crossing Retail Center Subdivision Phase 1; thence along the lines of said Midas Crossing Retail Center Phase 1 & 2 the following Five (5) Courses: (1) N $89^{\circ}59'56.9''$ W, a distance of 502.81 feet to the beginning of a non-tangential curve; (2) along the arc of said curve turning to the left through an angle of $03^{\circ}42'26''$, having a radius of 987.00 feet, and whose long chord bears N $09^{\circ}22'10''$ W, a distance of 63.85 feet to a point of intersection with a non-tangential line; (3) N $89^{\circ}59'57''$ W, a distance of 83.63 feet to the beginning of a non-tangential curve; (4) along the arc of said curve turning to the right through an angle of $00^{\circ}11'00''$, having a radius of 959.00 feet, and whose long chord bears S $11^{\circ}56'27''$ E, a distance of 3.07 feet to a point of intersection with a non-tangential line; thence N $89^{\circ}59'57''$ W, a distance of 570.71 feet to the point of beginning.

Contains: 1,663,677 Sq. Ft., or 38.193 Ac.

Midas Crossing Phase 1 & 2:

MIDAS CROSSING RETAIL CENTER SUBDIVISION PHASE 1, LOT 2 AND 3
LOCATED IN THE SOUTHEAST QUARETER OF SECTION 25 TOWNSHIP 3 SOUTH,
RANGE 2 WEST, SALT LAKE BASE & MERIDIAN

LOT 2 AND 3, MIDAS CROSSING RETAIL CENTER SUBDIVISION PHASE 1, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

MIDAS CROSSING RETAIL CENTER SUBDIVISION PHASE 2, LOT 6, 7, 8, 10, 11, AND 12

LOCATED IN THE SOUTHEAST QUARETER OF SECTION 25 TOWNSHIP 3 SOUTH, RANGE 2 WEST, SALT LAKE BASE & MERIDIAN

LOT 6, 7, 8, 10, 11, AND 12, MIDAS CROSSING RETAIL CENTER SUBDIVISION PHASE 2, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

Contains: 358,164 Sq. Ft., or 8.22 Ac.

Garden Plot:

Proposed (LOT 16-17 combined):

A parcel of land Situate within the Southeast Quarter of Section 25, Township 3 South, Range 2 West, Salt Lake Base and Meridian, located in Herriman City, County of Salt Lake State of Utah and being more particularly described as follows:

Beginning at a point in the Northerly line of 12600 South Street, said point being South 89°36'54" East, along the South line of the Southeast quarter, a distance of 745.98 feet and North 0°23'06" East, perpendicular to said section line, a distance of 61.49 feet, from the South Quarter Corner of said Section 25, Township 3 South, Range 2 West, Salt Lake Base and Meridian; and running S 89° 27' 22" W, along said Northerly line, a distance of 243.84 feet, to the East line of MD&L LLC Parcel 26-25-400-004; thence N 02° 20' 31" W, along said East line, a distance of 702.34 feet, more or less, to the Southerly line of Encore at Miller Crossing Phase 2B, Recorded in Book 2019P, at Page 151 of official records; thence North 83°52'06" East, along said Southerly line, a distance of 487.49 feet, more or less, to a point in the Westerly line of Herriman Main Street, said point being on the arc of a 1447.00 foot non-tangent curve to the right; thence southeasterly along the arc of said curve and said Westerly line of Herriman Main Street, through a central angle of 13°27'49", a distance of 340.02 feet, subtended by a long chord bearing South 6°20'56" East, a distance of 339.24 feet, to a point of tangency; thence South 0°23'43" West, continuing along said Westerly line, a distance of 233.84 feet; thence departing said Westerly line bearing S 89°27'22" W, a distance of 249.58 feet; thence S 0°29'50" E, a distance of 178.15 feet, to the point of beginning.

Contains: 320,928 Sq. Ft., or 7.367 Ac.

EXHIBIT A-2

Annexation Area Boundaries

Herriman City Parcel

A parcel of land situated within the East half (E-1/2) of Section 25, Township 3 South, Range 2 West, Salt Lake Base and Meridian, located in Herriman City, County of Salt Lake, State of Utah, being more particularly described as follows:

Beginning at a point South $89^{\circ}36'54''$ East, along the South line of the Southeast Quarter, a distance of 1329.95 feet and North $0^{\circ}23'06''$ East, perpendicular to said section line, a distance of 1670.71 feet, from the South Quarter corner of said Section 25; and running thence N $89^{\circ}54'40''$ W, a distance of 332.40 feet; thence S $51^{\circ}06'17''$ W, a distance of 284.58 feet, more or less, to the Northeasterly line of Herriman Main Street; thence N $39^{\circ}35'19''$ W, more or less along said Northeasterly line, a distance of 442.81 feet, more or less, to the South corner of the Game Pointe Subdivision; thence along the lines of said subdivision the following Four (4) courses: (1) N $54^{\circ}11'11''$ E, a distance of 560.07 feet to the beginning of a non-tangential curve; (2) along the arc of said curve turning to the right through $01^{\circ}43'49''$, having a radius of 3041.5 feet, and whose long chord bears N $25^{\circ}40'45''$ W, a distance of 91.85 feet to the beginning of a curve; (3) along the arc of said curve turning to the right through an angle of $17^{\circ}48'22''$, having a radius of 391.50 feet, and whose long chord bears N $15^{\circ}54'38''$ W, for a distance of 121.18 feet; (4) N $07^{\circ}00'26''$ W, a distance of 95.36 feet to the beginning of a non-tangential curve; thence along the arc of said curve turning to the left through an angle of $33^{\circ}46'01''$, having a radius of 500.00 feet, and whose long chord bears N $70^{\circ}52'13''$ E, a distance of 290.43 feet; thence N $53^{\circ}59'12''$ E, a distance of 245.95 feet; thence S $00^{\circ}40'39''$ W, for a distance of 49.59 feet; thence S $00^{\circ}21'49''$ W, a distance of 974.98 feet to the point of beginning.

Contains: 529,892 Sq. Ft., or 12.165 Ac.

13AC Parcel

A parcel of land situated within the East half (E-1/2) of Section 25, Township 3 South, Range 2 West, Salt Lake Base and Meridian, located in Herriman City, County of Salt Lake, State of Utah, being more particularly described as follows:

Beginning at a point South $89^{\circ}36'54''$ East, along the South line of the Southeast Quarter, a distance of 1330.64 feet and North $0^{\circ}23'06''$ East, perpendicular to said section line, a distance of 858.23 feet, and North $0^{\circ}21'05''$ East, a distance of 1787.47 feet from the South Quarter corner of said Section 25; and running thence S $53^{\circ}59'12''$ W, a distance of 245.9462 feet to the beginning of a curve; thence along the arc of said curve turning to the right through $33^{\circ}46'01''$, having a radius of 500.00 feet, and whose long chord bears S $70^{\circ}52'13''$ W, a distance of 290.43 feet to the beginning of a non-tangential curve; thence along the arc of said curve turning to the right through an angle of $02^{\circ}30'52''$, having a radius of 500.00 feet, and whose long chord bears S $89^{\circ}00'39''$ W, a distance of 21.94 feet; thence N $89^{\circ}43'56''$ W, a distance of 197.83 feet, to the beginning of

a curve; thence along the arc of said curve turning to the left through an angle of $39^{\circ} 51' 09''$, having a radius of 500.00 feet, and whose long chord bears $S 70^{\circ} 20' 30'' W$ for a distance of 340.81 feet; thence $S 50^{\circ} 24' 56'' W$, a distance of 191.54 feet, to the Easterly line of Herriman Main Street; thence $N 39^{\circ} 35' 19'' W$, along said Easterly line, a distance of 190.00 feet; thence $N 48^{\circ} 23' 28'' E$, a distance of 662.90 feet, more or less, to a point in the Southerly line of Midas Creek, said point being to the beginning of a non-tangential curve; thence along said Southerly line the following Four (4) courses: (1) the arc of said curve turning to the left through an angle of $59^{\circ} 43' 49''$, having a radius of 279.45 feet, and whose long chord bears $N 44^{\circ} 07' 41'' E$, a distance of 278.32 feet to a point of intersection with a non-tangential line; (2) $N 15^{\circ} 57' 39'' E$, a distance of 98.23 feet to the beginning of a non-tangential curve; (3) along the arc of said curve turning to the right through an angle of $46^{\circ} 15' 37''$, having a radius of 31.14 feet, and whose long chord bears $N 40^{\circ} 01' 19'' E$ for a distance of 24.47 feet to a point of intersection with a non-tangential line; (4) $N 63^{\circ} 40' 47'' E$, a distance of 146.59 feet; thence $S 89^{\circ} 49' 27'' E$, a distance of 243.10 feet; thence $S 35^{\circ} 57' 21'' E$, a distance of 304.58 feet; thence $S 00^{\circ} 39' 24'' W$, a distance of 241.34 feet to the point of beginning.

Contains: 561,647 Sq. Ft., or 12.894 Ac.

Crescent Piece:

MILLER CROSSING HERRIMAN COMMERCIAL LOT 2

LOCATED IN THE SOUTHWEST QUARTER OF SECTION 25, TOWNSHIP 3 SOUTH, RANGE 2 WEST, SALT LAKE BASE & MERIDIAN HERRIMAN CITY, SALT LAKE COUNTY, UTAH

MILLER CROSSING HERRIMAN COMMERCIAL, LOT 2 ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE AND OF RECORD IN THE SALT LAKE COUNTY RECORDER'S OFFICE.

Contains: 675,180 Sq. Ft., or 15.50 Ac.

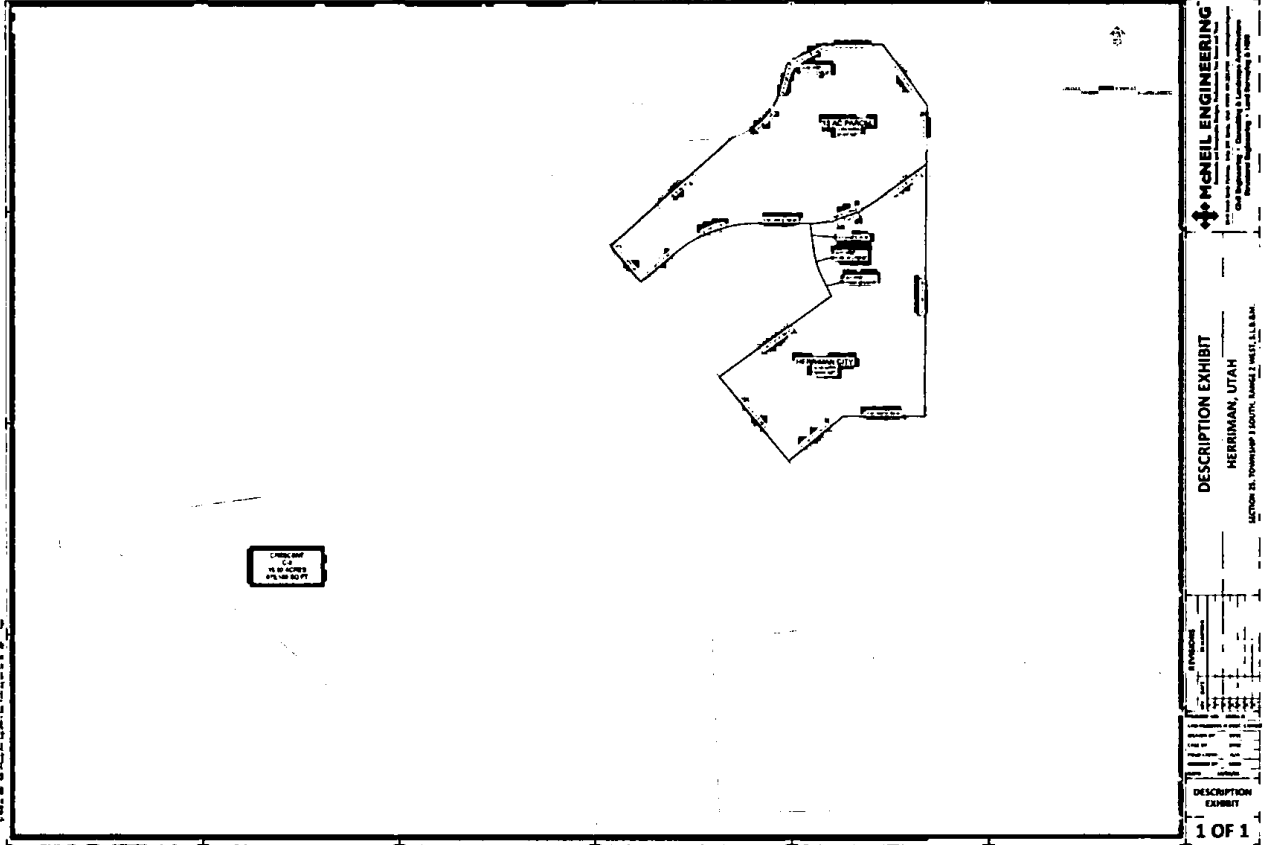
EXHIBIT B

Herriman City Vicinity Map



● PID AREA

Annexation Area Boundary Map



MCNEIL ENGINEERING
Professional Engineering - Land Surveying & Mapping
1000 West 1000 North, Suite 100
Provo, Utah 84604
Phone: 801-733-1111
Fax: 801-733-1112
www.mcneileng.com

DESCRIPTION EXHIBIT
HERRIMAN, UTAH
SECTION 28, TOWNSHIP 3 NORTH, RANGE 12 WEST, U.T.B.M.

NO.	DESCRIPTION	ACRES
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

DESCRIPTION EXHIBIT
1 OF 1

EXHIBIT D

INTERLOCAL AGREEMENT BETWEEN THE HERRIMAN CITY, UTAH AND AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT

THIS AGREEMENT is made and entered into as of this ___ day of _____, 2023, by and between the HERRIMAN CITY, a political subdivision of the State of Utah (“City”), and AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT, a political subdivision of the State of Utah (the “District”). The City and the District are collectively referred to as the Parties.

RECITALS

WHEREAS, the District was organized to provide to exercise powers as are more specifically set forth in the District’s Amended Governing Document approved by the City on _____, 2023 (“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. Improvements.

(a) 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. The District shall be authorized, but not obligated, to own, operate and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity.

(b) Notwithstanding the foregoing, prior to or contemporaneous with providing for the planning, design, acquisition, construction, installation, relocation, maintenance, and financing of any other Public Improvements the District must have arranged for the financing of the Public Improvements relating to the proposed Herriman Auto Row and Miller Crossing

Drive within the Project, as further identified and described as the Automall Infrastructure Improvements in **Exhibit E** of the Governing Document (the “Auto Mall Improvements”).

(c) The estimated costs for the Public Improvements described in **Exhibit E** of the Governing Document do not include any costs associated with raising the debt and/or equity required to fund such expenses and are estimates only. These estimates are subject to change based on the final construction plans approved by the City and so long as financing sufficient to build such improvements as set forth the plans approved by the City has been arranged, then the District’s obligation with respect to the Auto Mall Improvements shall be considered satisfied.

2. 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.

3. Procurement. The District shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. Notwithstanding this requirement, the Districts may acquire completed or partially completed improvements for fair market value as reasonably determined by any one of a surveyor or engineer that such District employs or engages to perform the necessary engineering services for and to supervise the construction or installation of the improvements.

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

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

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

5. Annexation and Withdrawal.

(a) The District shall not include within its boundaries any property outside the District Area without the prior written consent of the City. The City, by approval of the 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, approval of the 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 the Governing Document.

6. Overlap Limitation. The District shall not consent to the organization of any other public infrastructure district organized under the PID Act within the District Area which will overlap the boundaries of the District unless the aggregate mill levy for payment of Debt of such proposed districts will not at any time exceed the Maximum Debt Mill Levy of the District.

7. Initial Debt Limitation. 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 Assessments used for the purpose of repayment of Debt.

8. Total Debt Issuance Limitation. The District shall not issue Debt in excess aggregate amount of Twenty-eight Million Dollars (\$28,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the District. In addition, any C-PACE Bonds do not count against the foregoing limitation and there is no limit to the amount of C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the C-PACE Act.

9. Bankruptcy Limitation. All of the limitations contained in this Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, Maximum Debt Mill Levy Imposition Term and the Fees have been established under the authority of the City to approve a Governing Document with conditions pursuant to Section 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.

10. Dissolution. Upon an independent determination of each District Board 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 and disbursed of all assets of such District.

11. Disclosure to Purchasers. Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation, each Board shall record a notice with the recorder of Salt Lake County. Such notice shall (a) contain a description of the boundaries of the District, (b) state that a copy of this Governing Document is on file at the office of the City, (c) state that the District may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the Maximum Debt Mill Levy of the District; and (e) if applicable, state 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, commercial developers, and commercial lessors, as applicable, disclose the following information to End Users:

(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 \$1,000** 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 210 days following the end of the District’s fiscal year, containing the information set forth in Section IX 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 0.010 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.

(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.

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: Auto Mall and Retail Public Infrastructure
 District
 10771 South Rippling Bay
 South Jordan, Utah 84009
 Attn: Larry Myler
 Phone:

To the City: Herriman City
 5355 West Herriman Main Street
 Herriman, UT 84096
 Attn: Planning and Zoning
 Phone: (801) 446-5323

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]

Auto Mall and Retail PUBLIC
INFRASTRUCTURE DISTRICT

By: _____
President

Attest:

Secretary

APPROVED AS TO FORM: _____

HERRIMAN CITY, UTAH

By: _____
Mayor

Attest:

By: _____
Its: _____

APPROVED AS TO FORM: _____

EXHIBIT E

Estimated Costs and Description of Public Improvements

Herriman City

RESOLUTION NUMBER: R16-2023

SHORT TITLE: RESOLUTION AUTHORIZING THE AMENDMENT TO THE GOVERNING DOCUMENTS FOR THE AUTO MALL AND RETAIL PUBLIC INFRASTRUCTURE DISTRICT

PASSAGE BY THE CITY COUNCIL OF HERRIMAN CITY ROLL CALL

NAME	MOTION	SECOND	FOR	AGAINST	OTHER
Lorin Palmer			X		
Jared Henderson			X		
Teddy Hodges			X		
Sherrie Ohrn	X		X		
Steven Shields		X	X		
	TOTALS		5		

This resolution was passed by the City Council of Herriman City, Utah on the 22nd day of March, 2023, on a roll call vote as described above.