VINEYARD
STAY CONNECTED

NOTICE OF A SPECIAL SESSION
OF THE VINEYARD CITY COUNCIL
December 27, 2023 at 6:00 PM

Public Notice is hereby given that the Vineyard City Council will hold a Special Session on Wednesday, December 27, 2023, at 6:00 pm, in the City Council Chambers at 125 South Main Street, Vineyard, Utah. This meeting can also be viewed on our live stream page.

AGENDA

Presiding - Mayor Julie Fullmer

1. CALL TO ORDER/ INVOCATION/INSPIRATIONAL THOUGHT/PLEDGE OF ALLEGIANCE

2. CONSENT ITEMS

2.1 Unified Fleet Services Vehicle Leasing Agreement (Resolution 2023-44)

3. APPOINTMENTS

3.1 Appointment to the North Pointe Solid Waste Special Service District Board (Resolution 2023-61)

With the advice and consent of the City Council the mayor will appoint City Manager Eric Ellis to the North Pointe Solid Waste Special Service District Board.

3.2 Appointment to Central Utah 911 (Resolution 2023-62)

With the advice and consent of the City Council the mayor will appoint members to Central Utah 911 Committee.

3.3 Planning Commission

Mayor Fullmer, with the advice and consent of the council, will appoint new members to the Planning Commission.

4. BUSINESS ITEMS

4.1 PUBLIC HEARING – Acquisition and Disposition of Property for the Aquatics Facility located in The Promenade Area (Resolution 2023-63)

Staff will present a proposal to approve the acquisition and disposition of property for the recreation aquatics facility located in The Promenade area in the Downtown Vineyard District. The mayor and City Council will act to adopt (or deny) this request by resolution.

4.2 DISCUSSION AND ACTION – East District: The Creation of Public Infrastructure District (Resolution 2023-58) *(A public hearing was held for this item during the December 13, 2027 City Council Meeting.)*
City Attorney Jayme Blakesly will present the proposed creation of five Public Infrastructure Districts (the "Proposed Districts") and to allow for public input on (i) whether the requested service (described below) is needed in the area of the Proposed Districts, (ii) whether the service should be provided by the City or the Proposed Districts, and (iii) all other matters relating to the Proposed Districts. The mayor and City Council will act to adopt (or deny) this request by resolution. (This item was continued from the December 13, 2023 City Council meeting.)

4.3 DISCUSSION AND ACTION – West District: The Creation of Public Infrastructure District (Resolution 2023-59) *(A public hearing was held for this item during the December 13, 2027 City Council Meeting.)*
City Attorney Jayme Blakesly will present the proposed creation of five Public Infrastructure Districts (the "Proposed Districts") and to allow for public input on (i) whether the requested service (described below) is needed in the area of the Proposed Districts, (ii) whether the service should be provided by the City or the Proposed Districts, and (iii) all other matters relating to the Proposed Districts. The mayor and City Council will act to adopt (or deny) this request by resolution. (This item was continued from the December 13, 2023 City Council meeting.)

5. ADJOURNMENT

The next regularly scheduled meeting will be held on January 10, 2024.

This meeting may be held in a way that will allow a councilmember to participate electronically.

The Public is invited to participate in all City Council meetings. In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Recorder at least 24 hours prior to the meeting by calling (385) 338.5183.

I the undersigned duly appointed Recorder for Vineyard, hereby certify that the foregoing notice and agenda was emailed to the Salt Lake Tribune, posted at the Vineyard City Offices, the Vineyard website, the Utah Public Notice website, and delivered electronically to city staff and to each member of the Governing Body.

AGENDA NOTICING COMPLETED ON: December 21, 2023

CERTIFIED (NOTICED) BY: /s/Pamela Spencer
PAMELA SPENCER, CITY RECORDER

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: December 27, 2023

Agenda Item: 2.1 Correction to Vehicle Lease Agreement with United Fleet Services

Department: Public Works Department

Presenter: Naseem Ghandour, P.E.

Background/Discussion: This staff report informs the Council of a discrepancy identified by the bank in the previously signed resolution concerning the Municipal Lease-Purchase Agreement for equipment acquisition. Staff presented the Council with a resolution that stated in the third paragraph that equipment costs were erroneously stated as $25,000, while the correct amount, as indicated in the term sheet, is $625,000.

Additionally, Public Works intends to streamline the equipment of the Leased Vehicles. We are adjusting the total funding amount to $1,500,000. This modification would cover approximately two years of equipment placements, encompassing 12 to 15 units.

To address this discrepancy, we are presenting a revised resolution to accurately reflect the equipment cost of $625,000 plus projected vehicle equipment costs, totaling $1,500,000. This correction is vital for ensuring the precision and transparency of our financial records, aligning them with the accurate figures presented in the term sheet.

Funding

There is no change in Fiscal requirements to the previously approved resolution. The previously provided funding summary summarizes that Vineyard City has budgeted $160,000 for two vehicles for Fiscal Year 2023-2024. The projected payment for the proposed leased vehicles is $86,000 annually, $258,000 over the three years. Based on the projected residual value of each proposed leased vehicle, the projected 3-year net is positive $47,576.

Fiscal Impact: $86,000 **FY2023-2024, (Budgeted)**
$258,000 for 3 Years

Recommendation: Staff recommends that Vineyard City Council approve and adopt the Revised Resolution 2023-44 to correct the agreement that Vineyard City entered for the vehicle lease program.

VINEYARD
STAY CONNECTED

Sample Motion: I move to adopt the revised resolution 2023-44, reflecting an approved amount of up to $1,500,000 that authorizes Vineyard City the Municipal Lease-Purchase Agreement between Vineyard City and Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance for essential equipment acquisition.

Attachments:
1. Revised Resolution 2023-44
2. Staff Report Dated November 8, 2023
3. Resolution 2023-44 (Original; adopted November 8, 2023)
4. Utah Municipal Lease Agreement
5. Vineyard City Pricing Schedule

FORM OF AUTHORIZING RESOLUTION 2023-44 (REVISED)

A RESOLUTION OF THE GOVERNING BODY OF UTAH, AUTHORIZING THE EXECUTION AND DELIVERY OF AN MUNICIPAL LEASE-PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT WITHIN THE TERMS PROVIDED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, Vineyard city (the *"Lessee"*), a city duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of UTAH, is authorized by the laws of the State of UTAH to acquire, finance and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to acquire, finance and lease certain equipment with a cost not to exceed $ 1,500,000 constituting personal property necessary for the Lessee to perform essential governmental functions (the "*Equipment*"); and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into Municipal Lease-Purchase Agreements (the *"Agreements"*) with Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance (or one of its affiliates), as lessor, (the *"Lessor"*), the form of which has been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreements and the other documentation relating to the acquisition, financing and leasing of the Equipment to be therein described on the terms and conditions therein and herein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of the Lessee as follows:

Section 1. Findings and Determinations. It is hereby found and determined that the terms of the Agreements, in the form presented to the governing body of Lessee at this meeting, are in the best interests of the Lessee for the acquisition, financing and leasing of the Equipment.

Section 2. Approval of Documents; Designation as Bank Qualified. The form, terms and provisions of the Agreements are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the City Manager of the Lessee or other members of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of such approval; and the City Manager of the Lessee is hereby authorized and directed to execute, and the City Manager of the Lessee is hereby authorized and directed to attest, the Agreements and any related Exhibits attached thereto and to deliver the Agreements (including such Exhibits) to the respective parties thereto.

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreements to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of a Final Acceptance Certificate, escrow agreements, disbursement requests and any tax certificate and agreement, as contemplated in the Agreements) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreements, including designation of the Agreements as "qualified tax-exempt obligations" under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, if requirements for such designation can be met.

Section 4. Appointment of Authorized Lessee Representatives. The City Manager of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreements and any escrow agreements until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreements or any escrow agreement.

Section 5. Severability. 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.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency with respect to this Resolution. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this 27th day of December 2023.

VINEYARD CITY,

as lessee

[SEAL]

By:____________________________________

Printed Name: ____________________________

Title: ___________________________________

ATTEST:

By:____________________________________

Printed: Name: _________________________

Title: ________________________________

VINEYARD
STAY CONNECTED

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: November 08, 2023

Agenda Item: 6.2 Vehicle Lease Agreement with United Fleet Services

Department: Public Works Department

Presenter: Naseem Ghandour, P.E.

Background/Discussion: This staff report provides an overview of the proposed resolution authorizing the execution and delivery of a Municipal Lease-Purchase Agreement for the acquisition, financing, and leasing of essential equipment for the public benefit of Vineyard City. It includes elements from the Municipal Lease-Purchase Agreement between United Fleet Services underwritten by Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance (the "Lessor") and Vineyard City (the "Lessee"). Additionally, it highlights the benefits of municipal leasing.

Vineyard City is currently undergoing significant growth in population and services to its residents and remains committed to delivering exceptional services to its residents. To adapt to evolving needs, the City intends to replace existing city-owned vehicles based on age, utility, and residual value with leased vehicles better suited for departmental requirements. A portion of the funds from the sales of city-owned vehicles will be used toward the lease program. The initiative encompasses all passenger-type vehicles and an evaluation for potential Heavy Equipment leasing. Additionally, there's consideration to streamline leasing partners and expand the range of available equipment manufacturers.

The Agreement will use the 3-year lease option, Vineyard City stands to gain any profit from the sale of the vehicles (as well as bear any losses) without a mileage and condition clause in the lease. The Lessor employs a known upfront residual value (balance) for the vehicles. Should the vehicle sell for more than the predetermined residual value, the profit accrues to Vineyard City. Conversely, if the sale price is lower, the city is responsible for covering the difference.

Findings and Determinations

The terms of the Municipal Lease-Purchase Agreement are determined to be in the best interests of Vineyard City for acquiring and financing essential equipment for governmental functions.

The benefits of municipal leasing include optimizing budget allocation across multiple vehicles. With low, tax-exempt rates and flexible payment options, it allows for cost-effective financing. There are no processing fees or additional wear-and-use charges, providing a transparent and hassle-free experience. Moreover, lessees can purchase the leased vehicles at the end of the lease term. Additionally, service contracts can be integrated.

Notably, lease payments are not considered debt, typically requiring annual budgetary appropriation, and they can be structured to align with the city's financial planning.

Appointment of Authorized Lessee Representatives
The City Manager and designated representatives are authorized to act on behalf of Vineyard City concerning the Agreement and any escrow agreements. The City Manager authorized to make insertions, omissions, and changes as needed. The City Manager is directed to execute the Agreement and related Exhibits and deliver them to the respective parties

Severability
Vineyard City or the United Fleet Services can terminate this Agreement and would only need to fulfill its obligations and terms on the current leased vehicles.

First-Year Vehicle Lease Option (Proposed) on 3-Year Lease Program

Parks and Rec Department	**Administration**
• 5x 2023 Ford F150 Lariat • 1x 2023 GMC Acadia SLE	• 1x 2023 GMC Acadia SLE
Building Department	**Public Works**
• 2x 2023 Ford Explorer ST	• 2x 2023 Ford F350 Lariat

Funding
Vineyard City has budgeted $160,000 for two vehicles for Fiscal Year 2023-2024. The projected payment for the proposed leased vehicles is $86,000 annually, $258,000 over the three years. Based on projected residual value of each proposed leased vehicle, the projected 3-year net is positive $47,576.

Fiscal Impact: $86,000 **FY2023-2024, (Budgeted)**
$258,000 for 3 Years

Recommendation: Staff recommends that Vineyard City Council approve and adopt the proposed resolution to enter into a vehicle lease program to enable the continued excellent services of the city's needs.

Sample Motion: I move to adopt resolution 2023-44, authorizing the City Manager to sign a Municipal Lease-Purchase Agreement between Vineyard City and Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance for essential equipment acquisition.

Attachments:
1. Resolution 2023-44
2. Utah Municipal Lease Agreement
3. Vineyard City Pricing Schedule

FORM OF AUTHORIZING RESOLUTION 2023-44

A RESOLUTION OF THE GOVERNING BODY OF UTAH, AUTHORIZING THE EXECUTION AND DELIVERY OF AN MUNICIPAL LEASE-PURCHASE AGREEMENT WITH RESPECT TO THE ACQUISITION, FINANCING AND LEASING OF CERTAIN EQUIPMENT FOR THE PUBLIC BENEFIT WITHIN THE TERMS PROVIDED HEREIN; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, Vineyard city (the *"Lessee"*), a city duly organized and existing as a political subdivision, municipal corporation or similar public entity of the State of UTAH, is authorized by the laws of the State of UTAH to acquire, finance and lease personal property for the benefit of the Lessee and its inhabitants and to enter into contracts with respect thereto; and

WHEREAS, the Lessee desires to acquire, finance and lease certain equipment with a cost not to exceed $ 25,000 constituting personal property necessary for the Lessee to perform essential governmental functions (the "*Equipment*"); and

WHEREAS, in order to acquire such Equipment, the Lessee proposes to enter into Municipal Lease-Purchase Agreements (the *"Agreements"*) with Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance (or one of its affiliates), as lessor, (the *"Lessor"*), the form of which has been presented to the governing body of the Lessee at this meeting; and

WHEREAS, the governing body of the Lessee deems it for the benefit of the Lessee and for the efficient and effective administration thereof to enter into the Agreements and the other documentation relating to the acquisition, financing and leasing of the Equipment to be therein described on the terms and conditions therein and herein provided;

NOW, THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the governing body of the Lessee as follows:

Section 1. Findings and Determinations. It is hereby found and determined that the terms of the Agreements, in the form presented to the governing body of Lessee at this meeting, are in the best interests of the Lessee for the acquisition, financing and leasing of the Equipment.

Section 2. Approval of Documents; Designation as Bank Qualified. The form, terms and provisions of the Agreements are hereby approved in substantially the forms presented at this meeting, with such insertions, omissions and changes as shall be approved by the City Manager of the Lessee or other members of the governing body of the Lessee executing the same, the execution of such documents being conclusive evidence of such approval; and the City Manager of the Lessee is hereby authorized and directed to execute, and the City Manager of the Lessee is hereby authorized and directed to attest, the Agreements and any related Exhibits attached thereto and to deliver the Agreements (including such Exhibits) to the respective parties thereto.

Section 3. Other Actions Authorized. The officers and employees of the Lessee shall take all action necessary or reasonably required by the parties to the Agreements to carry out, give effect to and consummate the transactions contemplated thereby (including the execution and delivery of a Final Acceptance Certificate, escrow agreements, disbursement requests and any tax certificate and agreement, as contemplated in the Agreements) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered in connection with the Agreements, including designation of the Agreements as "qualified tax-exempt obligations" under Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended, if requirements for such designation can be met.

Section 4. Appointment of Authorized Lessee Representatives. The City Manager of the Lessee are each hereby designated to act as authorized representatives of the Lessee for purposes of the Agreements and any escrow agreements until such time as the governing body of the Lessee shall designate any other or different authorized representative for purposes of the Agreements or any escrow agreement.

Section 5. Severability. 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.

Section 6. Repealer. All bylaws, orders and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency with respect to this Resolution. This repealer shall not be construed as reviving any bylaw, order, resolution or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the governing body of the Lessee this 8th day of November, 2023.

Vineyard City

as lessee

[SEAL]

By:____________________________________

Printed Name: ____________________________

Title: ___________________________________

ATTEST:

By:__________________________________

Printed: Name: ________________________

Title: ________________________________

umpqua bank
equipment leasing & finance

MUNICIPAL LEASE-PURCHASE AGREEMENT
[Lease # [___]]

THIS MUNICIPAL LEASE-PURCHASE AGREEMENT [Lease # [___]], dated as of ("Lease") is made by and between Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance, having an address at 3455 South 344th Way Ste. 300, Federal Way, WA 98001 ("Lessor"), and , a municipal corporation existing under the laws of the State of , with offices located at ("Lessee").

1. **Lease; Terms; Early Buy-Out Option**.
(a) Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, the Equipment described in the equipment schedule attached hereto as Exhibit A and incorporated by this reference (the "Equipment Schedule"), subject to and upon the terms set forth in this Lease.
(b) The following terms shall be applicable for this Lease.
   i. Principal component for the Lease: $[_____].
   ii. Interest Rate:[_____]%. [The Interest Rate specified is based upon the 5 year like term semi-bond Swap Rate sourced from Chatham Financial Market Data ("Index") at [___]%, as of __/__/23. Should the Index increase prior to the Funding Date, the Interest Rate shall be adjusted to maintain the economic returns anticipated by Lessor. The Interest Rate becomes fixed on the Rent Commencement Date, defined below.]
   iii. Payment Frequency: [Annual][Semi-annual][Advance][Arrears]
   iv. Term: Ending 5 years from the Rent Commencement Date.
(c) So long as (i) Lessee is current in the payment of all Rent and other amounts due under this Lease, (ii) no Default or Nonappropriation exists under this Lease, and (iii) subject to a minimum of 30-days written notice to Lessor, Lessee may terminate this Lease on the three year anniversary of the Funding Date of this Lease (the "Early Buy-Out Date") by paying the currently due Rent, as well as outstanding principal component of this Lease, and any interest accrued thereon to the Early Buy-Out Date, and any other past due amounts or other amounts due under this Lease, plus any applicable taxes (the "Early Buy-Out Option"). The Equipment shall be conveyed to Lessee by Lessor on an "as-is, where-is" basis, without any representation or warranty from Lessor.
(d) So long as (i) Lessee is current in the payment of all Rent and other amounts due under this Lease, (ii) no Default or Nonappropriation exists under this Lease, and (iii) subject to a minimum of 30-days written notice to Lessor, Lessee may prepay this Lease on (A) the one year anniversary of the Funding Date of this Lease by paying the currently due Rent, as well as 102% of the outstanding principal component of this Lease or (B) the two year anniversary of the Funding Date of this Lease by paying the currently due Rent, as well as 101% of the outstanding principal component of this Lease, as well as any interest accrued thereon to the Prepayment Date, and any other past due amounts or other amounts due under this Lease, plus any applicable taxes. The Equipment shall be conveyed to Lessee by Lessor on an "as-is, where-is" basis, without any representation or warranty from Lessor.

   Any other prepayments other than the Early Buy-Out Option shall be solely with the prior written consent of Lessor.

2. **Definitions**. As used in this Lease, the following terms shall have the following meanings and shall be equally applicable to both the singular and the plural forms thereof:
"Acceptance Date" means, with respect to the Equipment, the date of execution by Lessee of a Certificate of Acceptance for such Equipment in the form attached hereto as Exhibit C.
"Equipment" means each item of equipment and other property designated in the Equipment Schedule that will be leased by Lessee pursuant to the Lease, together with all replacement parts,

substitutions, additions, attachments, successions and accessories incorporated therein or affixed thereto.

"Funding Date" the Funding Date is the date that Lessor disburses funds for the purchase or financing of the Equipment pursuant to the Funding Request. Interest under the Lease accrues from the Funding Date at the Interest Rate. Lessor will not disburse funds for the purchase of the Equipment until it receives the executed Certificate of Acceptance from Lessee.

"Funding Request" means the funding request for the purchase or financing of the Equipment in the form attached hereto as Exhibit D.

"Initial Term" means the period beginning with the Rent Commencement Date and ending at the conclusion of the budget year of Lessee in effect at the Rent Commencement Date.

"Lease Documents" means this Lease, the Equipment Schedule, Riders, Exhibits and all other documents now or hereafter executed in connection herewith or therewith, as the same may be modified, amended, extended or replaced.

"Payment Schedule" means the "Payment Schedule" attached hereto as Exhibit B and incorporated by this reference, setting forth the Rent payments through the duration of the Initial Term and each potential Renewal Term, with the interest and principal components separated. To the extent that the Funding Date occurs before the Rent Commencement Date, then the first Rental Payment shall be increased to include interest accruing at the Interest Rate on the Principal Component from the Funding Date to the Rent Commencement Date.

"Purchase Agreement" means any purchase agreement or other contract entered into between a Supplier and Lessee or Lessor for the acquisition of Equipment to be leased or financed hereunder.

"Renewal Term" means any period commencing immediately upon the end of the Initial Term or any prior Renewal Term, unless the Lease is terminated as provided herein, each Renewal Term having a duration of one year matching each of Lessee's budget years.

"Rent" means the periodic rental payments due under the Lease for the leasing of Equipment as set forth on the Payment Schedule and, where the context hereof requires, all such additional amounts as may, from time to time, be payable under any provision of a Lease. The term "Rent" shall include interim rent, if any.

"Rent Commencement Date" means, with respect to Equipment (and unless otherwise indicated on the Payment Schedule), the latter of [September 1, 2023 or]the first day of the calendar month following the Funding Date, Lessor will not disburse funds for the purchase of the Equipment until it receives the executed Certificate of Acceptance from Lessee.

"Rent Payment Date" shall have the meaning specified in the Payment Schedule.

"Supplier" means the manufacturer or the vendor of the Equipment specified on an Equipment Schedule.

"Term" means the Initial Term and any Renewal Term.

3. **Delivery and Acceptance**. Upon delivery to Lessee of any Equipment and Lessee's inspection thereof, Lessee shall execute and deliver to Lessor a written statement in a form acceptable to Lessor (a) acknowledging receipt of the Equipment in good condition and repair and (b) accepting the Equipment as satisfactory in all respects for the purposes of the Lease (the "Certificate of Acceptance"), generally in the form of Exhibit C, hereto. **LESSOR SHALL HAVE NO OBLIGATION TO ADVANCE FUNDS FOR SUCH PURCHASE OR FINANCING UNLESS AND UNTIL LESSOR RECEIVES A CERTIFICATE OF ACCEPTANCE FOR ALL EQUIPMENT UNDER THIS LEASE EXECUTED BY LESSEE**. Execution of the Acceptance Certificate shall have no effect on Lessee's rights and remedies against the Supplier.

4. **Rent; Delinquent Payments**.
(a) Lessee shall pay the Rent set forth on the Payment Schedule commencing on the Rent Commencement Date and, unless otherwise set forth on the Payment Schedule, on the same day of each payment period thereafter for the balance of the Term. Rent shall be due whether or not Lessee has received any notice that such payments are due. All Rent shall be paid to Lessor at **PO Box 749642, Los Angeles, CA 90074**, or as otherwise directed by Lessor in writing.

(b) If Lessee fails to pay any Rent or other sums due under the Lease on or before the date when the same becomes due, Lessee shall pay interest on such delinquent payment from the due date until paid at the lesser of eighteen percent (18.00%) per annum or the maximum permitted by law.

(c) It is the intent of the parties that Lessee's obligation to pay Rent under this Lease shall constitute a current expense of Lessee and not a debt of Lessee in violation of any legal obligation regarding Lessee's creation of debt. Further, no obligation of Lessee under this Lease shall constitute the pledge of the funds of Lessee, including tax revenues.

(d) Each Rent payment made under this Lease will include the payment of interest in such amounts as set forth separately in the Payment Schedule.

(e) Computation of interest under this Lease shall be based on an Actual/365.

5. **Nonappropriation and Renewal**. Lessee is only obligated to pay Rent under this Lease to the extent necessary funds have been lawfully budgeted for and appropriated for that purpose during each of Lessee's applicable budget years. If Lessee fails to budget and appropriate necessary funds to pay Rent beyond the Initial Term or then current Renewal Term ("Nonappropriation"), this Lease shall terminate at the end of the Initial Term or then current Renewal Term. Lessee agrees to provide Lessor notice of Nonappropriation at least sixty (60) days prior to the end of the Initial Term or then current Renewal Term, but failure to give such notice shall not extend the Term or otherwise constitute a default. Lessee agrees that if this Lease is terminated for Nonappropriation it will deliver the Equipment to Lessor at such place as Lessor shall identify within a reasonable distance of the location of the Equipment and Lessor shall then dispose of the Equipment according to the terms of this Lease. The responsible financial officer of Lessee shall do all things lawfully within his or her power to obtain and maintain funds from which Rent payments may be made, including making provision for Rent payments in each proposed annual budget submitted for approval and to exhaust all available reviews and appeals in the event such funds are not appropriated in the budget. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds beyond the Initial Term or then current Renewal Term is solely within Lessee's discretion.

6. **Location; Inspection; Labels**. Equipment shall be delivered to the location specified in the Lease and shall not be removed therefrom, except as in its ordinary use, without Lessor's prior written consent, provided that if such consent is given, Lessee shall be responsible for and shall promptly pay all costs associated with such relocation. Lessor shall have the right to enter upon the premises where the Equipment is located and inspect the Equipment at any time.

7. **Non-Cancelable Lease. TO THE EXTENT PERMITTED BY LAW, THIS LEASE CANNOT BE CANCELLED OR TERMINATED EXCEPT AS OTHERWISE EXPRESSLY PROVIDED HEREIN, INCLUDING FOR NONAPPROPRIATION. LESSEE'S OBLIGATION TO PAY RENT AND PERFORM ITS OBLIGATIONS UNDER THIS LEASE ARE ABSOLUTE, IRREVOCABLE AND UNCONDITIONAL AND SHALL NOT BE SUBJECT TO ANY RIGHT OF SETOFF, COUNTERCLAIM, DEDUCTION, DEFENSE OR OTHER RIGHT WHICH LESSEE MAY HAVE AGAINST THE SUPPLIER, LESSOR OR ANY OTHER PARTY; PROVIDED, HOWEVER, THAT NOTHING HEREIN SHALL PRECLUDE LESSEE FROM ASSERTING ANY SUCH CLAIMS AGAINST THE SUPPLIER IN A SEPARATE LAWSUIT. LESSEE UNDERSTANDS AND AGREES THAT NEITHER THE SUPPLIER NOR ANY SALES REPRESENTATIVE OR OTHER AGENT OF THE SUPPLIER IS AN AGENT OF LESSOR OR IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THE LEASE, AND NO SUCH WAIVER OR ALTERATION SHALL VARY THE TERMS OF THIS LEASE. LESSOR IS NEITHER A SUPPLIER NOR A LICENSOR, AND LESSOR IS NOT RESPONSIBLE FOR REPAIRS, SERVICE OR DEFECTS IN EQUIPMENT. LESSEE AGREES NOT TO ASSERT ANY SUCH CLAIMS OR DEFENSES AGAINST LESSOR FOR REPAIRS, SERVICE OR DEFECTS IN EQUIPMENT AND**

UNDERSTANDS THAT IT MAY DO SO AGAINST THE SUPPLIER OF EQUIPMENT OR SERVICES OR LICENSOR OF SOFTWARE.

8. **Use; Alterations**.
(a) Lessee shall use Equipment solely for the purpose of performing essential government functions of Lessee within the scope of Lessee's authority and only in the manner for which it was designed and intended. Lessee shall comply with all applicable laws. Lessee shall immediately notify Lessor, in writing, of any existing or threatened investigation, claim or action by any governmental authority that could adversely affect the Equipment, the Lessor or the Lease. Lessee, at its own expense, shall make such alterations, additions or modifications (each, a "Required Alteration") to Equipment as may be required from time to time to meet the requirements of applicable law or a governmental body. All such Required Alterations shall immediately, and without further act, be deemed to constitute "Equipment" and be fully subject to the Lease as if originally leased hereunder. Except as otherwise permitted herein, Lessee shall not make any alterations to Equipment without Lessor's prior written consent.

(b) Lessee, at its own expense, may from time to time add or install upgrades, accessories, additions or attachments (each an "Upgrade") to Equipment during the Term; provided, that such Upgrades (i) are readily removable without causing material damage to the Equipment, (ii) do not materially adversely affect the value, productive capacity, utility or remaining useful life of the Equipment and (iii) do not cause the Equipment to become "limited use property" within the meaning of Revenue Procedure 2001-28, 2001-19 I.R.B. 1156 (or such other successor tax provision), as of the date of installation of such Upgrade. Any such Upgrades that can be removed without adversely affecting the value, productive capacity, utility or remaining useful life of the Equipment shall remain the property of Lessee, and upon the Equipment's return to Lessor in the event it is not purchased by Lessee, Lessee may, at its option, remove any such Upgrades and, upon such removal, shall restore the Equipment to the condition required hereunder. Upgrades which are not removed prior to the Equipment's return to Lessor shall, upon their delivery to Lessor, become the property of the Lessor, constitute Equipment and be fully subject to this Lease as if originally leased hereunder.

9. **Repairs and Maintenance**. Lessee, at Lessee's own cost and expense, shall at all times maintain the Equipment in good repair, good operating condition, appearance and working order at all times in compliance with the manufacturer's or Supplier's recommendations and all maintenance and operating manuals or service agreements.

10. **Return of Equipment**.
(a) Unless Lessee has properly exercised its option to purchase the Equipment pursuant to this Section, Lessee shall at its sole expense, upon the expiration or earlier termination of this Lease pursuant to its terms, de-install, assemble, pack (under the supervision of persons acceptable to Lessor), including labeling of all components and hardware, and return all, and not less than all, of the Equipment to Lessor by delivering the Equipment to such location or such carrier as Lessor shall specify within a reasonable distance from the general location of the Equipment. Lessee shall be responsible for erasing or removing any private personal, medical or financial information from any data storage or like devices on the Equipment. Lessee agrees that (a) Equipment, when returned, shall be in the condition required by the Lease, which shall at a minimum require that Equipment be in complete and operational condition with no missing or damaged components or parts such that it is capable of performing its originally intended use, and (b) upon Lessor's request, Lessee will obtain from the Supplier (or other maintenance service provider previously approved by Lessor or Supplier) a certificate stating that such Equipment qualifies for full maintenance service at the standard rates and terms then in effect.

(b) Upon payment to Lessor of all Rent, and all other amounts due under this Lease, and assuming no Default is currently outstanding, Lessee shall on the final Rent Payment Date, shall be deemed to own the Equipment outright and any lien, security interest or encumbrance on the Equipment created by or arising through or under Lessor shall be deemed to terminated, and all right, title and interest of Lessor in the Equipment shall be deemed conveyed to Lessee "as is."

11. Sublease and Assignment.
(a) LESSEE SHALL NOT, WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, (i) SELL, ASSIGN, TRANSFER, PLEDGE, ENCUMBER OR OTHERWISE DISPOSE OF THE LEASE, EQUIPMENT OR ANY INTEREST THEREIN, (ii) RENT, SUBLET OR LEND EQUIPMENT TO ANYONE INCLUDING LESSEE'S AFFILIATES, OR (iii) PERMIT EQUIPMENT TO BE USED BY ANYONE OTHER THAN LESSEE'S QUALIFIED EMPLOYEES.

(b) Lessor, at any time with or without notice to Lessee, may sell, transfer, assign and/or grant a security interest in all or any part of Lessor's interest in this Lease or the Equipment (each, a "Lessor Transfer"). In the event of a Lessor Transfer, any purchaser, transferee, assignee or secured party (each a "Lessor Assignee") shall have and may exercise all of Lessor's rights hereunder with respect to the items to which any such Lessor Transfer relates, and **LESSEE SHALL NOT ASSERT AGAINST ANY SUCH LESSOR ASSIGNEE ANY DEFENSE, COUNTERCLAIM OR OFFSET THAT LESSEE MAY HAVE AGAINST LESSOR**. The Lessor Assignee should not be bound by, or otherwise required to perform any of Lessor's obligations under the Lease, unless expressly assumed by such Lessor Assignee. Lessee agrees that upon written notice to Lessee of any Lessor Transfer, Lessee shall acknowledge receipt thereof in writing and shall comply with the directions and demands of any Lessor Assignee made according to this Lease, including paying Rent to the Lessor Assignee. Lessee will provide reasonable assistance to Lessor to complete any transaction contemplated by this subsection (b). Notwithstanding the foregoing, no assignment shall be effective until (i) Lessee has received written notice, signed by the assignor and identifying the name and address of the Lessor Assignee and (ii) the assignment has been registered in the books of the Lessor Assignee. Lessee agrees to retain all notices of assignment as a register of all assignments in form necessary to comply with the Internal Revenue Code of 1986, Section 149(a), as amended and regulations thereunder and agrees to make payments according to the register.

(c) The Lease Documents shall inure to the benefit of, and are binding upon, the successors and permitted assigns of the parties thereto.

12. Insurance.
(a) In addition to complying with the terms and conditions contained in the applicable Insurance Requirements notice, which is incorporated by this reference, Lessee shall, at all times and at Lessee's own cost and expense, maintain (i) insurance against all risks of physical loss or damage to Equipment for the greater of (a) the full replacement value, (b) the outstanding principal amount under this Lease, or (c) the actual cash value thereof, and (ii) commercial general liability insurance (including blanket contractual liability coverage and products liability coverage) for personal and bodily injury and property damage per occurrence in an amount as stated in the Insurance Requirements notice, and (iii) other insurance against other risks of loss customarily maintained by Lessee or otherwise required by Lessor and with such terms as shall be reasonably satisfactory to, or reasonably required by, Lessor. Notwithstanding the foregoing, Lessee may self-insure against such risks with Lessor's prior written approval.

(b) All insurance policies required hereunder shall include terms, and be with insurance carriers, reasonably satisfactory to Lessor. Lessee shall deliver to Lessor certificates or other proof of insurance satisfactory to Lessor evidencing the coverage required by this section and listing Lessor as a loss payee and additional insured and providing for Lessor to receive no fewer than thirty (30) days' notice of cancellation. If Lessee fails to maintain any insurance policies required herein, then in addition to any other rights and remedies of Lessor hereunder, Lessor shall have the option (but not the obligation) to pay the premiums on any such policies or to obtain new insurance under terms satisfactory to Lessor, and any amounts paid by Lessor pursuant thereto shall be immediately due and payable by Lessee upon demand.

13. **Risk of Loss; Casualty**. Lessee assumes, and shall at all times bear the entire risk of, any loss, theft, damage to, or destruction of any Equipment from any cause whatsoever, to the extent covered by the proceeds of insurance, from the time such Equipment is shipped to Lessee until its return to Lessor or other disposition at the end of the Lease. Lessee shall promptly notify Lessor in writing if any Equipment shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or permanently rendered unfit for use from any cause whatsoever (each a "Casualty Occurrence"). In the event of a Casualty Occurrence, at Lessee's option, Lessee shall within thirty (30) days of such Casualty Occurrence, (i) place such Equipment in good condition and repair, in accordance with the terms hereof; or (ii) pay Lessor the sum of (A) the outstanding principal component of Rent as of payment date, and (B) all other amounts which are due hereunder, including interest accruing to such payment date. If elected by Lessor and upon payment of all sums due under Section 13(ii) with respect to such Equipment, the obligation of Lessee to pay Rent and the term of this Lease with respect to such Equipment shall terminate. Following payment of all sums due under Section 13(ii) with respect to such Equipment, and if no Default has occurred and remains continuing, Lessor will then (a) transfer to Lessee the Lessor's rights to such Equipment "AS IS, WHERE IS" and with all defects, without recourse and WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, other than a warranty that the Equipment is free and clear of any liens created by or through Lessor; and (b) remit to Lessee any physical damage insurance proceeds received by Lessor arising out of such loss.

14. **Taxes**. Lessee shall use the Equipment for the purpose of performing essential government functions of Lessee within the scope of Lessee's authority. Lessee shall timely report, pay and discharge all sales, use, property and other taxes, if any, now or hereafter imposed by any taxing authority upon the Equipment based upon the ownership, leasing, renting, sale, possession or use thereof, whether the same be assessed to Lessor or Lessee, together with any penalties or interest in connection therewith, and to the extent permitted by law will indemnify and hold Lessor harmless therefrom. Lessee's obligations under this Section shall be limited to such taxes as accrue during the Initial Term or then current Renewal Term. Lessee shall submit written evidence of the payment of such taxes at Lessor's request.

15. **Lessor's Right to Perform for Lessee**. If Lessee fails to perform any of its obligations contained herein, Lessor may (but shall not be obligated to) itself perform such obligations, and the amount of the reasonable costs and expenses of Lessor incurred in connection with such performance, together with interest on such amount at the lesser of eighteen percent (18.00%) per annum or the maximum permitted by law, shall be payable by Lessee to Lessor upon demand. No such performance by Lessor shall be deemed a waiver of any rights or remedies of Lessor or be deemed to cure the default of Lessee hereunder.

16. **Personal Property; Liens**. Lessee represents and warrants that the Equipment is, and shall at all times remain fully removable personal property notwithstanding any affixation or attachment to real property or improvements. Lessee shall at all times keep Equipment free and clear from all liens. Lessee shall (a) give Lessor immediate written notice of any such lien, (b) promptly, at Lessee's sole cost and expense, take such action as may be necessary to discharge any such lien, and (c) to the extent permitted by law, indemnify and hold Lessor, on an after-tax basis, harmless from and against any loss or damage caused by any such lien.

17. **Default; Remedies**.

    (a) As used herein, the term "Default" means any of the following events: (i) Lessee fails to pay any Rent or other amount due under the Lease within ten (10) days after the same shall have become due; (ii) Lessee becomes insolvent or makes an assignment for the benefit of its creditors; (iii) a receiver, trustee, conservator or liquidator of Lessee of all or a substantial part of Lessee's assets is appointed with or without the application or consent of Lessee; (iv) a petition is filed by or against Lessee under any bankruptcy, insolvency or similar proceeding; (v) Lessee fails to perform or violates any provision of the Lease, or any covenant therein or any warranty or representation made by Lessee therein proves to have been false or misleading when made; or (vi) any filing by Lessee of a termination statement for any financing statement filed by Lessor while any obligations are owed by Lessee under a Lease. Lessee shall immediately notify Lessor of the occurrence of any Default.

(b) Upon the occurrence of a Default, Lessor may do one or more of the following as Lessor in its sole discretion shall elect: (i) proceed by appropriate court action to enforce specifically Lessee's performance by Lessee of the Lease or to recover damages for the breach thereof; (ii) cause Lessee, at its expense, promptly to assemble Equipment and return the same to Lessor at such place as Lessor may designate in writing in compliance with all return provisions in this Lease; (iii) by notice in writing to Lessee, cancel or terminate the Lease, without prejudice to any other remedies hereunder; (iv) enter upon the premises of Lessee or other premises where any Equipment may be located and, without notice to Lessee and with or without legal process, take possession of and remove (or disable in place) all or any such Equipment without liability to Lessor by reason of such entry or taking possession, and without such action constituting a cancellation or termination of the Lease unless Lessor notifies Lessee in writing to such effect; (v) sell, re-lease or otherwise dispose of any or all of the Equipment at public or private sale; and (vi) exercise any other right or remedy available to Lessor under applicable law. In addition, Lessee shall be liable for all reasonable costs, expenses, and legal fees incurred in enforcing Lessor's rights under the Lease, before or in connection with litigation or arbitration, including all reasonable attorneys' fees incurred at trial, on appeal and in any bankruptcy or arbitration proceeding, and for any deficiency in the disposition of the Equipment. Lessor's recovery hereunder shall in no event exceed the maximum recovery permitted by law.

(c) If a Default occurs, Lessee hereby agrees that ten (10) days' prior notice to Lessee of any public sale or of the time after which a private sale may be negotiated shall be conclusively deemed reasonable notice. None of Lessor's rights or remedies hereunder are intended to be exclusive, but each shall be cumulative and in addition to any other right or remedy referred to hereunder or otherwise available to Lessor at law or in equity, and no express or implied waiver by Lessor of any Default shall constitute a waiver of any other Default or a waiver of any of Lessor's rights.

(d) With respect to any exercise by Lessor of its right to recover and/or dispose of any Equipment or any other collateral securing Lessee's obligations under any Lease, Lessee acknowledges and agrees that Lessor may dispose of Equipment on an "AS IS, WHERE IS" basis, in compliance with applicable law and with such preparation (if any) as Lessor determines to be commercially reasonable.

18. Notices. All notices and other communications hereunder shall be in writing and shall be sent by overnight courier or certified mail (return receipt requested), US postage prepaid, or hand delivered. Such notices and other communications shall be addressed to the respective party at the address set forth above or at such other address as any party may, from time to time, designate by notice duly given in accordance with this section. Such notices and other communications shall be effective upon the earlier of receipt by the party or three (3) days after mailing if mailed in accordance with the terms of this section.

19. Indemnity. To the extent permitted by law, Lessee shall indemnify and hold Lessor harmless from and against any and all liabilities, causes of action, claims, suits, penalties, damages, losses, costs or expenses (including reasonable attorneys' fees, whether or not there is a lawsuit, and including those incurred at trial, on appeal and in any bankruptcy or arbitration proceeding), obligations, liabilities, demands and judgments (collectively, a "Liability") arising out of or in any way related to: (a) Lessee's failure to perform any covenant or Lessee's breach of any representation or warranty under the Lease Documents, (b) the order, manufacture, purchase, ownership, selection, acceptance, rejection, possession, rental, sublease, operation, use, maintenance, loss, damage, destruction, removal, storage, sale, condition, delivery, return or other disposition of or any other matter relating to any Equipment; (c) any and all Liabilities in any way relating to or arising out of injury to persons, property or the environment relating to any Equipment or the Lease Documents; and (d) and any and all Liabilities based on strict liability in tort, negligence, breach of warranties or violations of any regulatory law or requirement.

20. **Fees and Expenses**. To the extent permitted by law, Lessee shall pay or reimburse Lessor amounts incurred during the Initial Term or then current Renewal Term for: (i) all UCC filing and search fees and expenses incurred by Lessor in connection with the verification, perfection or preservation of Lessor's rights hereunder or in the Equipment; (ii) any and all stamp, transfer and documentation taxes and fees payable or determined to be payable in connection with the execution, delivery and/or recording of the Lease Documents; and (iii) all fees and out-of-pocket expenses (including, but not limited to, reasonable attorneys' and other professional fees and expenses) incurred by Lessor in connection with the preparation, execution, administration, waiver or amendment of the Lease Documents or the collection of any sum payable under any of the Lease Documents not paid when due, and the enforcement of any of the Lease Documents. Lessee shall be responsible for payment on the Funding Date to Lessor a facility fee of 0.1% of the principal component of the Lease and a $10.00 vehicle titling fee.

21. **Financial and Other Data**. During the Term, Lessee shall provide Lessor with audited annual financial statements prepared by an independent Certified Public Accountant, when they become available but in no event within 270 days of the close of its fiscal year. Lessee, during the Term hereof, shall also furnish Lessor its annual budget upon approval and such other financial information as Lessor may from time-to-time reasonably request. All such information shall be prepared in accordance with generally accepted accounting principles, applied on a consistent basis, and certified by Lessee to be true and correct.

22. **Representations and Warranties of Lessee**. Lessee represents and warrants that (a) Lessee is a municipal corporation organized and existing under the constitution and laws of the state where it is located, with the power and authority thereunder to enter into this Lease and assume and perform the obligations stated herein, and Lessee will take all actions necessary to preserve such existence, power, and authority; (b) Lessee has been duly authorized to execute and deliver the Lease Documents by proper action of its governing body and all other proceedings of Lessee relating to the transaction contemplated by this Lease have been performed according to all applicable local, state and federal laws; (c) Lessee covenants that it will use 95% or more of the proceeds of this Lease as soon as practicable for the purposes stated in this Lease - to wit, performance of essential local government functions of Lessee - and that no part of the proceeds shall be invested at any time, directly or indirectly, in a manner which, if such use had been reasonably anticipated when this Lease was entered into, would have resulted in classification of this Lease in any amount as an "arbitrage bond" within the meaning of the Internal Revenue Code of 1986, as amended (the "Code") and regulations thereunder; (d) Lessee designates this as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code and Lessee reasonably anticipates to issue qualified tax-exempt obligations during the budget year of the Funding Date in an amount not exceeding $10,000,000; (e) this Lease is not a private activity bond as defined in Section 141 of the Code; (f) the remaining useful life of the Equipment is less than 120% of the Term of this Lease; (g) Lessee is a state or political subdivision with taxing power under the laws of the state where it is located; (h) the Lease Documents when entered into will constitute legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their terms; (i) Lessee will comply with all applicable provisions of the Code, including without limitation Sections 103 and 148, and all applicable Treasury Department regulations, in order to maintain the excludability of the interest component of Rent payments from federal income taxation; (j) there are no actions or proceedings to which Lessee is a party, and there are no other threatened actions or proceedings of which Lessee has knowledge, before any governmental authority which, either individually or in the aggregate, would adversely affect the financial condition of Lessee or the ability of Lessee to perform its obligations hereunder; and (k) the financial statements of Lessee

(copies of which have been furnished to Lessor) have been prepared in accordance with generally accepted accounting principles, consistently applied, and fairly present Lessee's financial condition as of the date of and for the period covered by such statements, and since the date of such statements there has been no material adverse change in its financial condition or operations. Lessee shall cause to be executed as a requirement of this Lease an opinion of counsel in substantially the form attached hereto as Exhibit E and incorporated by this reference.

23. **Title**. As of the Acceptance Date, Lessee shall have title to the Equipment during the Term of this Lease; however, Lessor shall have the right to immediately assume title to the Equipment and Lessee shall immediately surrender possession of the Equipment to Lessor (i) upon the occurrence of a Default and for so long as such Default is continuing, or (ii) upon termination of this Lease if Lessee does not exercise its option to purchase the Equipment.

24. **Security Interest**. Lessee hereby grants to Lessor a purchase money security interest in the Equipment (including any replacements, substitutions, additions, attachments) and all proceeds of the foregoing to secure the prompt payment and performance as and when due of all indebtedness and obligations of Lessee, now existing or hereafter created, to Lessor pursuant to this Lease. Lessee authorizes Lessor to file financing statements, including any amendments and continuation statements, to protect or perfect Lessor's interest in the Equipment, and Lessor shall have all of the rights and benefits of a secured party under the UCC as in effect from time to time hereafter in the state in which the Equipment is located or any other state with jurisdiction over the Equipment. Lessee hereby ratifies, to the extent permitted by law, all that Lessor shall lawfully and in good faith do or cause to be done by reason of and in compliance with this section. Lessee agrees not to file any corrective or termination statements or partial releases with respect to any UCC financing statements filed by Lessor pursuant to this Lease.

25. **Governing Law**. **THIS LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE WHERE THE EQUIPMENT IS LOCATED, INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAWS.**

26. **Quiet Enjoyment**. So long as no Default has occurred and is continuing, Lessee shall peaceably hold and quietly enjoy the Equipment without interruption by Lessor or any person or entity claiming through Lessor.

27. **Evidence of Filing Form 8038-G**. As soon as it is available, Lessee shall provide to Lessor evidence that it has filed the Form 8038-G for this Lease with the Internal Revenue Service by delivering to Lessor proof of mailing such Form 8038-G. Notwithstanding anything to the contrary in this Agreement, it shall not be an Event of Default hereunder if Lessee does not provide to Lessor evidence that it filed the Form 8038-G for this Lease with the Internal Revenue Service.

28. **Entire Agreement**. This Lease, together with all other Lease Documents, constitutes the entire understanding or agreement between Lessor and Lessee with respect to the Equipment covered thereby, and there is no understanding or agreement, oral or written, which is not set forth herein or therein. No Lease Document may be amended except by a writing signed by Lessor and Lessee.

29. **Disclaimer of Warranties. LESSOR MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE DESIGN, OPERATION OR CONDITION OF, OR THE QUALITY OF THE MATERIAL OR WORKMANSHIP IN, EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE ABSENCE OF LATENT OR OTHER DEFECTS (WHETHER OR NOT DISCOVERABLE), AND LESSOR HEREBY DISCLAIMS THE SAME; IT BEING UNDERSTOOD THAT THE EQUIPMENT IS LEASED TO LESSEE "AS IS, WHERE IS." LESSEE HAS MADE THE SELECTION OF THE EQUIPMENT FROM THE SUPPLIER BASED ON ITS OWN JUDGMENT AND EXPRESSLY DISCLAIMS ANY RELIANCE ON ANY STATEMENTS OR**

REPRESENTATIONS MADE BY LESSOR. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES. LESSOR HEREBY ASSIGNS ANY WARRANTY BY THE SUPPLIER TO LESSEE FOR THE TERM OF EACH LEASE WITHOUT RECOURSE.

30. **Execution in Counterparts**. This Lease and all other Lease Documents may be executed in several counterparts, each of which when so executed or otherwise authenticated and delivered shall be an original, but all such counterparts shall together consist of one and the same instrument; provided, however, that to the extent that this Lease constitutes chattel paper under the UCC, no security interest may be created by the transfer or possession of any counterpart other than the original thereof, which shall be identified as a document or record (as applicable) marked "Original".

31. **Miscellaneous**. Time is of the essence with respect to this Lease. Any failure of Lessor to require strict performance by Lessee shall not be construed as a consent or waiver of any provision of such Lease. Any provision of this Lease that is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions thereof. Captions are intended for convenience or reference only, and shall not be construed to define, limit or describe the scope or intent of any provisions hereof.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Lease as of the day and year first above written.

Lessor:	**Lessee:**
Financial Pacific Leasing, Inc. DBA Umpqua Bank Equipment Leasing & Finance	
By:______________________________	By: X______________________________
Print Name:________________________	Print Name:
Title:_____________________________	Title:

Attachments

Exhibit A – Equipment Schedule
Exhibit B – Payment Schedule
Exhibit C – Form of Certificate of Acceptance
Exhibit D – Form of Funding Request
Exhibit E – Form of Lessee Counsel Opinion

Requested Equipment & Pricing Options

Requested:

- 2023 GMC Acadia SLE
- 2023 Ford F150 Lariat
- 2023 Ford F350 Lariat
- 2023 Ford Explorer ST

Pricing:

2023 GMC Acadia SLE @ 12K Miles/Year

Option 1 - Current Market Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	6,500.00	0.00	6,500.00	34,560.00	34,825.50	265.50
2	6,500.00	1,859.33	4,640.67	29,919.33	29,795.15	-124.18
3	6,500.00	1,609.66	4,890.34	25,028.99	28,247.35	3,218.36
4	13,532.75	1,346.56	12,186.19	12,842.80	23,990.90	11,148.10
5	13,532.75	690.94	12,841.81	1.00	22,830.05	22,829.05

Option 2 - JD Power Projected Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	9,172.13	0.00	9,172.13	31,887.87	27,086.50	-4,801.37
2	9,172.13	1,715.57	7,456.56	24,431.32	20,895.30	-3,536.02
3	9,172.13	1,314.41	7,857.72	16,573.60	18,573.60	2,000.00
4	8,960.90	891.66	8,069.24	8,504.37	15,091.05	6,586.68
5	8,960.90	457.53	8,503.37	1.00	11,608.50	11,607.50

2023 Ford F150 Lariat @ 12K Miles/Year

Option 1 - Current Market Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	8,000.00	0.00	8,000.00	61,371.00	62,788.00	1,417.00
2	8,000.00	3,301.76	4,698.24	56,672.76	59,220.50	2,547.74
3	8,000.00	3,048.99	4,951.01	51,721.75	57,080.00	5,358.25
4	27,965.59	2,782.63	25,182.96	26,538.79	54,226.00	27,687.21
5	27,965.59	1,427.79	26,537.80	1.00	51,372.00	51,371.00

Option 2 - JD Power Projected Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	12,575.82	0.00	12,575.82	56,795.18	52,085.50	-4,709.68
2	12,575.82	3,055.58	9,520.24	47,274.93	42,096.50	-5,178.43
3	12,575.82	2,543.39	10,032.43	37,242.50	39,242.50	2,000.00
4	20,136.62	2,003.65	18,132.97	19,109.53	34,248.00	15,138.47
5	20,136.62	1,028.09	19,108.53	1.00	27,113.00	27,112.00

2023 Ford F350 Lariat @ 12K Miles/Year

Option 1 - Current Market Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	8,000.00	0.00	8,000.00	75,864.00	83,211.60	7,347.60
2	8,000.00	4,081.48	3,918.52	71,945.48	78,316.80	6,371.32
3	8,000.00	3,870.67	4,129.33	67,816.15	69,925.71	2,109.56
4	36,667.86	3,648.51	33,019.35	34,796.80	74,769.31	39,972.51
5	36,667.86	1,872.07	34,795.79	1.00	72,215.30	72,214.30

Option 2 - JD Power Projected Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	13,563.63	0.00	13,563.63	70,300.37	66,079.80	-4,220.57
2	13,563.63	3,782.16	9,781.47	60,518.91	59,553.40	-965.51
3	13,563.63	3,255.92	10,307.71	50,211.20	52,211.20	2,000.00
4	27,148.83	2,701.36	24,447.47	25,763.74	43,237.40	17,473.66
5	27,148.83	1,386.09	25,762.74	1.00	37,526.80	37,525.80

2023 Ford Explorer ST @ 12K Miles/Year

Option 1 - Current Market Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	8,500.00	0.00	8,500.00	53,604.00	51,260.40	-2,343.60
2	8,500.00	2,883.90	5,616.10	47,987.90	45,957.60	-2,030.30
3	8,500.00	2,581.75	5,918.25	42,069.65	47,136.00	5,066.35
4	22,746.67	2,263.35	20,483.32	21,586.33	36,530.40	14,944.07
5	22,746.67	1,161.34	21,585.33	1.00	33,584.40	33,583.40

Option 2 - JD Power Projected Residual

No.	Payment Due	Interest	Principal	Balance	Projected Residual	Projected Equity
1	12,744.62	0.00	12,744.62	49,359.38	41,244.00	-8,115.38
2	12,744.62	2,655.53	10,089.09	39,270.28	35,941.20	-3,329.08
3	12,744.62	2,112.74	10,631.88	28,638.40	30,638.40	2,000.00
4	15,484.37	1,540.75	13,943.62	14,694.79	25,924.80	11,230.01
5	15,484.37	790.58	14,693.79	1.00	19,443.60	19,442.60

A RESOLUTION NO. 2023-61
Repealing resolution 2018-01

A RESOLUTION OF THE VINEYARD CITY COUNCIL APPOINTING NEW REPRESENTATIVES TO THE NORTH POINTE SOLID WASTE SPECIAL SERVICE DISTRICT

Whereas, Vineyard City Council participates on the North Pointe Solid Waste Special Service District Board; and

Whereas, the city desires to continue participating on the North Pointe Solid Waste Special Service District Board and make new appointments due to changes in the elected body.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF VINEYARD, UTAH, as follows:

1. Eric Ellis is hereby appointed as the representative of the North Pointe Solid Waste Special Service District Board with Mayor Julie Fullmer as an alternate representative.

2. This resolution shall remain in effect until repealed by another resolution appointing a different representative to the North Pointe Solid Waste Special Service District Board.

3. The provisions of this resolution shall take effect immediately upon passage.

PASSED and APPROVED this 27th day of December 2023.

VINEYARD, UTAH

____
Julie Fullmer, Mayor

ATTEST:

____
Pamela Spencer, City Recorder

RESOLUTION NO. 2023-62
Repealing Resolution No. 2022-12

A RESOLUTION OF THE VINEYARD CITY COUNCIL APPOINTING NEW REPRESENTATIVES TO THE CENTRAL UTAH 911 COMMITTEE

WHEREAS, Central Utah 911 is an interlocal entity created by Utah Valley Dispatch Special Service District and Nephi City and Juab County to provide dispatch services to its member agencies; and

WHEREAS, the Vineyard City Council adopted Resolution 2018-14 entering an interlocal agreement to join Central Utah 911and Resolution 2020-06 an amendment to the interlocal agreement; and

WHEREAS, Central Utah 911 is governed by a Board of Directors and the Vineyard City Council desires to appoint new representatives to that Board;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF VINEYARD, UTAH, as follows:

1. Eric Ellis is hereby appointed as its representative to the Central Utah 911 Board, replacing Ezra Nair.

2. Julie Fullmer will remain as its alternate representative to the Central Utah 911 Board.

3. That this resolution shall remain in effect until repealed by another resolution appointing a different representative to the Central Utah 911 Board.

4. The provisions of this resolution shall take effect immediately upon passage.

PASSED and APPROVED this 27th day of December 2023.

VINEYARD, UTAH

____
Julie Fullmer, Mayor

ATTEST:

____
Pamela Spencer, City Recorder

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: December 27, 2023

Agenda Item: 4.1 Promenade Aquatics Facility – Lease Agreement and Contribution Agreement

Department: Administration

Presenter: Eric Ellis

Background/Discussion:

Flagborough is proposing to construct a resort pool facility to be located within Block 5 of the Lake Promenade. The site plan includes several pool areas, a splash pad, a restaurant, indoor facilities, and a lawn area. The area described in the lease agreement exhibit A-1 is donated to the Vineyard City and leased back to a Utah nonprofit entity. The nonprofit entity will operate and maintain the facilities for a term of 25-years with renewal options described in 2.2 of the lease.

The aquatics facility is available to the public as described in 4.6 of the lease.

Within 6-months of dedicating the constructed aquatics facility, Flagborough intends to dedicate the facility to Vineyard City and the City intends to accept the dedication of the premises from Flagborough within the terms set forth in the attached Contribution agreement.

Fiscal Impact:
This is a public amenity with $100/annual net fiscal impact to Vineyard City

Recommendation:
Staff recommends approval of the lease and maintenance agreement of the Promenade Aquatics Facility lease agreement

Sample Motion:
"I move to adopt Resolution 2023-63 approving contribution agreement and the lease and maintenance agreement for the Promenade Aquatics Facility as presented"

Attachments:
- Resolution 2023-63
- Contribution Agreement
- Lease and Maintenance agreement

RESOLUTION NO. 2023-63

A RESOLUTION OF THE VINEYARD CITY COUNCIL
APPROVING CONTRIBUTION AGREEMENT
AND
AUTHORIZING THE MAYOR TO EXECUTE A LEASE AND MAINTENANCE AGREEMENT BETWEEN A NON-PROFIT ENTITY AND VINEYARD CITY

WHEREAS, Flagborough, LLC, is constructing a resort pool facility ("Facility") with plans to dedicate the same to the City, and the City intends to accept dedication of the Facility from Flagborough, as set forth in the Contribution Agreement between the parties; and

WHEREAS, the Facility is intended to benefit the City and its residents, but the operation and maintenance costs thereof are likely to exceed the admission and membership rates that the market will bear; and

WHEREAS, to avoid burdening the City with any shortfall between the revenue generated from the Facility and the costs of operating the Facility, the City desires to lease the Facility to a non-profit entity ("Tenant"), that will be responsible for operating and maintaining the Facility, subject to the terms and conditions of a Lease Agreement; and

WHEREAS, the City held a public hearing on December 27, 2023, relating to the above proposed acquisition and disposition of property for the Facility, which notice is attached hereto as Exhibit A, and incorporated herein by reference; and

WHEREAS, the City and Tenant desire to enter into a Lease and Maintenance Agreement for the benefit of the public, and authorize the mayor to enter into said Agreement;

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF VINEYARD, UTAH AS FOLLOWS:

Section 1. Approval. The City Council of the City of Vineyard, Utah, hereby approves the Contribution Agreement attached hereto as Exhibit B, and incorporated herein by reference.

Section 2. Authority. The City Council of the City of Vineyard, Utah, hereby authorizes the mayor to execute a Lease and Maintenance Agreement between Tenant, a non-profit entity, and Vineyard City ("Agreement") in substantially the same form as the Agreement attached hereto as Exhibit C and incorporated herein by reference.

Section 2. Severability. If any section, part or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution shall be severable.

Section 3. Effective Date. This Resolution shall become effective immediately upon its approval by the City Council.

Passed and dated this 27th day of December 2023.

____

Julie Fullmer, Mayor

Attest:

____

Pamela Spencer, City Recorder

Resolution Exhibit A
Public Notice

VINEYARD CITY COUNCIL
PUBLIC HEARING FOR PROPOSED
ACQUISITION AND DISPOSITION OF PROPERTY

December 12, 2023

Pursuant to Utah Code Ann. § 10-8-2, notice is hereby given that Vineyard City will hold a public hearing before the City Council to receive public comment on the property located on or near The Promenade Area of the Downtown Vineyard District (Phase 3 Parcel B), more particularly described as follows:

Legal Description:

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN, VINEYARD CITY, UTAH, SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOW:
COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 7; THENCE NORTH A DISTANCE OF 3201.53 FEET; THENCE WEST A DISTANCE OF 1566.27 FEET TO THE REAL POINT OF BEGINNING.
THENCE S. 05°25'57" E. A DISTANCE OF 235.31 FEET; THENCE S. 84°34'03" W. A DISTANCE OF 54.38 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A 350.00 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 251.09 FEET, CHORD THAT BEARS N. 74°52’48” W. A DISTANCE OF 245.74 FEET; THENCE N. 54°19'40" W. A DISTANCE OF 42.31 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF A 170.00 FOOT RADIUS CURVE TO THE LEFT A DISTANCE OF 129.69 FEET, CHORD THAT BEARS N. 76°10’59” W. A DISTANCE OF 126.57 FEET; THENCE NORTHERLY ALONG THE ARC OF A 883.40 FOOT RADIUS CURVE TO THE RIGHT A DISTANCE OF 112.11 FEET, CHORD THAT BEARS N. 09°18’04” W. A DISTANCE OF 112.03 FEET; THENCE N. 88°43'52" E. A DISTANCE OF 444.59 FEET TO THE POINT OF BEGINNING.
CONTAINING 1.92 ACRES MORE OR LESS.

The purpose is to consider the proposed acquisition and disposition of property for a public aquatics facility that will be located on the property.

The hearing will be held in the Council Chambers at Vineyard City Hall, 125 South Main Street, Vineyard, UT 84059, on Wednesday December 27, 2023 at 6:00 pm. The public is invited to attend in person. For a copy of the public notice, to request special accommodations, or any additional inquiries contact City Recorder Pam Spencer at 385-338-5183, pams@vineyardutah.org.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the City Recorder at least 24 hours prior to the meeting by calling (385) 338-5183.

I, the undersigned duly appointed City Recorder for Vineyard, Utah, hereby certify that the foregoing Public Notice was posted at the Vineyard City Office, on the Vineyard City website, and on the Utah Public Notice website.

Posted: December 5, 2023
Certified (Noticed) by: /s/ Pamela Spencer, City Recorder


PARCEL B FROM PHASE 3
emergency exit
MEP room
Quiet Pool at Level 2
SPA
1109
SF
LOBBY
729
SF
Big Kid Pool
-4'
-18"
Small Kid Pool
MENS
1591
SF
WOMENS
1586
SF
+0
spa
Main Pool
-4
DJ
+3.5
+2.5
Spash Pad
-8"
+0
+3.5
UPPER
DINING
557
SF
Outdoor Dinning
+2.5
+0
POOL AREA DESCRIPTIONS
Event Lawn
Stage
Pergola
PARCEL B FROM PHASE 3

Resolution Exhibit B
Contribution Agreement

CONTRIBUTION AGREEMENT

THIS CONTRIBUTION AGREEMENT (this "**Agreement**") is made and entered into December __, 2023 (the "**Effective Date**"), by and between VINEYARD CITY, a political subdivision of the State of Utah ("**City**"), and FLAGBOROUGH L.L.C., a Delaware limited liability company ("**Flagborough**"). City and Flagborough are sometimes referred to individually as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. Flagborough is developing the Downtown Vineyard (Town Center) area consistent with Chapter 3 of the City's Special Purpose Zoning Districts' code provisions ("**Development Code**").

B. As part of Flagborough's development, Flagborough has submitted a site plan to the City for the development of the recreation facility ("**Premises**") conceptually depicted on the attached Exhibit A to be built on the real property described on the attached Exhibit B.

C. Flagborough intends to construct the Premises and dedicate the same to the City, and the City intends to accept dedication of the Premises from Flagborough, on the terms more particularly set forth below.

D. The Premises is intended to benefit the City and its residents, but the operation and maintenance costs thereof are likely to exceed the admission and membership rates that the market will bear.

E. To avoid burdening the City with any shortfall between the revenue generated from the Premises and the costs of operating the Premises, the City desires to lease the Premises to a non-profit entity ("**Tenant**"), that will be responsible for operating and maintaining the Facility, subject to the terms and conditions of the Lease Agreement in the form attached hereto as Exhibit C (the "**Lease**").

F. The Parties desire to enter into this Agreement to induce Flagborough to move forward with the construction and development of the Premises and to govern the dedication and lease thereof.

AGREEMENT

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

1. Dedication of the Premises.

(a) On a date mutually agreeable by the Parties following a certificate of occupancy being issued for the Premises, but no later than six (6) months thereafter (the "**Dedication Date**"), Developer shall dedicate the Premises to the City and the City shall accept dedication of the Premises (the "**Dedication**").

(b) Notwithstanding Subsection 1(a), the Parties may, by written agreement entered into prior to the deadline in Subsection 1(a), elect to have Flagborough dedicate the Premises to a special service district or similar governmental entity instead of the City. If Parties dedicate the Premises to a special service district or similar governmental entity under this Subsection 1(b), then (i) the City shall credit the acreage of the Property towards the open space requirements imposed by Section 3.12.010.2 of the Development Code, and (ii) neither party shall have any further obligations under this Agreement.

2. Satisfaction of Open Space Requirement. Concurrently with the Dedication, the City shall credit the acreage of the Property towards the open space requirements imposed by Section 3.12.010.2 of the Development Code.

3. Lease. On the Dedication Date, the City shall, and Flagborough shall cause Tenant, to execute the Lease, thereby leasing the Premises to Tenant on the terms and conditions established by the Lease. By executing this Agreement, the City has reviewed and consented to the Lease attached hereto.

4. Enforceability. This Agreement may be executed in one or more counterparts, each of which, when taken together, constitutes the original. If any term, provision or condition contained in this Agreement shall to any extent be deemed invalid or unenforceable, the remainder of the Agreement shall not be affected thereby, and each remaining term, provision, and condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

5. Waiver and Amendment. The failure of either Party to insist upon strict performance of any covenants, conditions, or terms of this Agreement shall not be construed as a waiver or relinquishment of any such covenants, conditions or terms, but the same shall be and remain in full force and effect. This Agreement may only be amended, restated, revoked, or terminated in whole or in part by an instrument in writing executed by the Parties.

6. Successors and Assigns. Flagborough may, without the City's consent, assign its rights and obligations under this Agreement to an affiliate of Flagborough, provided that such affiliate owns the Property and is responsible for the development and construction of the Premises, or to the Tenant responsible for operating the Premises. Except as set forth in the immediately preceding sentence, Flagborough shall not assign its rights and obligations under this Agreement without the City's consent. The City shall not assign its rights and obligations under this Agreement without Flagborough's consent.

7. Headings. The captions and headings used herein are for convenience of reference only and shall not affect the interpretation of this Agreement.

8. Construction. This Agreement shall be construed in accordance with the laws of the State of Utah and both Parties shall be considered the drafters of this Agreement.

9. Attorney Fees. Each Party will be responsible for payment of their respective attorneys' fees in the negotiation and execution of this Agreement. In the event of any action to enforce the provisions of this Agreement, the prevailing Party shall be entitled to receive its costs and attorneys' fees.

10. Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations, and understandings of the Parties, oral or written, pertaining to the subject matter contained in this Agreement are superseded by and merged into this Agreement.

[*Signatures Follow*]

DATED as of the Effective Date.

CITY:

VINEYARD CITY,
a political subdivision of the State of Utah

By:______________________________
Julie Fullmer, Mayor

Attest:

By:___________________________________
Pamela Spencer, City Recorder

Approved as to form:

By: ____________________________________
Jayme Blakesley, City Attorney

FLAGBOROUGH:

FLAGBOROUGH L.L.C.,
a Delaware limited liability company

By: Woodbury Corporation,
a Utah corporation
Its: Manager

By: ______________________
Name: ____________________
Its: _______________________

By: _______________________
Name: ____________________
Its: _______________________

By: ______________________
Name: Nate Hutchinson
Its: Manager

EXHIBIT A

CONCEPT PLAN OF THE PREMISES

<u>**EXHIBIT B**</u>

LEGAL DESCRIPTION OF THE PROPERTY

[To be Attached]

<u>EXHIBIT C</u>

FORM OF LEASE

(Attached)

Resolution Exhibit C
Lease and Maintenance Agreement

LEASE AND MAINTENANCE AGREEMENT

FUNDAMENTAL PROVISIONS:

DATE OF LEASE: Dated as of the Effective Date (defined below).

LANDLORD: **Vineyard City**, a political subdivision of the State of Utah.
125 S. Main Street
Vineyard, UT 84059
Attn: City Attorney

TENANT: **[A Utah nonprofit entity]**
c/o Flagborough, L.L.C.
2733 East Parleys Way, Suite 300
Salt Lake City, UT 84109
Attn: Legal Department

PREMISES: All of that certain real property owned by Landlord located at ____________________________, and legally described in **Exhibit A-1** and conceptually depicted in **Exhibit A-2** attached hereto ("**Concept Plan**"), together with all buildings, improvements, easements, rights, privileges, and appurtenances belonging thereto, including, without limitation, rights to ingress and egress and parking over, in and on designated areas (collectively, the "**Premises**").

EFFECTIVE DATE The Effective Date of this Lease is the date that the last party executes this Lease as set forth below the signatures of Landlord and Tenant.

INITIAL TERM: The Term shall commence upon the execution of this Lease and shall expire twenty-five (25) years thereafter, unless otherwise extended pursuant to Section 2.2 below.

PERMITTED USE: The Premises shall be used for the uses identified on the Concept Plan , and reasonably anticipated and intended uses of the improvements of the Premises and those uses accessory thereto (the "**Permitted Use**"), and for no other purpose without Landlord's written consent. This Lease does not authorize any use outside of the Premises.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which hereby acknowledged, it is agreed as follows:

ARTICLE 1
LEASE OF PREMISES

1.1 Lease of Premises to Tenant. Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, on the terms and conditions set forth in this Lease, including the Fundamental Provisions above. Tenant is currently in possession of the Premises and Tenant accepts the Premises, including Landlord's buildings, "**AS IS, WHERE IS**", including any and all defects, patent, latent or otherwise, with no representation or warranty whatsoever by Landlord as to the fitness, suitability, habitability, or usability of the Premises, or any part thereof.

ARTICLE 2
TERM

2.1 Term of Lease. The initial Term of this Lease shall be as stated in the Fundamental Provisions, subject to the terms and conditions set forth in this Lease.

2.2 Extension Options. The Parties may elect to extend the Term of this Lease for two (2) consecutive periods of twenty-five (25) years (each an "**Extension Term**") on following terms:

(a) At least five (5) year prior to the expiration of the initial Term or Extension Term, as applicable, Tenant may send notice to Landlord that Tenant will not elect to extend the term of the Lease ("**Non-Extension Notice**"). If Tenant submits a Non-Extension Notice to Landlord, then Landlord shall elect to either: (i) assume control and operations of the Premises at the expiration of the applicable Term ("**Landlord Control Option**"); or (ii) close the Premises at the expiration of the applicable Term ("**Shutdown Option**"), and Landlord shall submit to Tenant notice of such election within thirty (30) days of receiving the Non-Extension Notice from Tenant. If Landlord notifies Tenant that it has elected the Landlord Control Option, then at the expiration of the applicable Term, Tenant shall surrender the Premises to Landlord consistent with Section 2.3 below. If Landlord elects the Shutdown Option, then at the expiration of the Term and notwithstanding Section 2.3 below, Tenant shall surrender the Premises to Landlord in "as is" condition with no obligation to repair, replace, or improve the Premises prior to surrendering the Premises to Landlord.

(b) If Tenant fails to deliver a Non-Extension Notice to Landlord, then Tenant shall have deemed to elected to extend the Term of the Lease and the Lease will be automatically extended for the applicable Extension Term provided that Landlord consent to such extension. Landlord shall have deemed to consent to an Extension Term unless Landlord notifies Tenant at least nine (9) months prior to the expiration of the Term that Landlord disapproves of the Tenant's election (or deemed election) to extend the Term of the Lease ("**Disapproval Notice**"). Landlord shall not disapprove of Tenant's election (or deemed election) to extend the Term of the Lease and submit a Disapproval Notice to Tenant unless: (i) Tenant has failed to cure a material default under the Lease as provided in Section 8.1 below; or (ii) Landlord commits to assume the operation and maintenance of the Premises at the same standards as Tenant was obligated to perform under this Lease throughout the remainder of the useful life of the Premises. If Landlord provides a proper Disapproval Notice to Tenant, then at the expiration of the Term Tenant shall surrender the Premises to Landlord consistent with Section 2.3 below.

2.3 Surrender of Premises. Upon the expiration or termination of this Lease, Tenant shall immediately surrender to Landlord peaceable possession of the Premises in substantially the condition the Premises is in at the commencement of this Lease (reasonable wear and tear and damage caused by casualty or by Landlord or its employees, agents or contractors, and alterations to the Premises made pursuant to the terms of this Lease or with the Landlord's consent, excepted); subject, however, to the rights of Tenant, so long as Tenant is not in default under this Lease, to remove from the Premises, any and all personal property of Tenant including, without limitation, Tenant's equipment and trade fixtures.

ARTICLE 3
RENT

3.1 Rent. Tenant shall pay One-Hundred and No/100 dollars ($100.00) ("**Rental Amount**") to Landlord on March 1st of each year during the Term as rent for the Premises.

ARTICLE 4
USE; CONSTRUCTION; MAINTENANCE AND REPAIR

4.1 Permitted Use. Tenant may use the Premises for the Permitted Use.

4.2 No Waste; Compliance with Law. Tenant agrees not to knowingly commit any waste of the Premises. Tenant agrees to comply with all laws, ordinances, regulations, governmental stipulations, covenants, conditions, and restrictions, public or private, affecting or relating to the Premises, and Tenant's use thereof including, without limitation, such laws, rules and regulations as may from time to time be in effect with respect to the use of hazardous waste, hazardous materials, or hazardous or toxic substances, as defined in any local, state, or federal law or regulation related to protection of health, safety, or the environment, on the Premises.

4.3 Use; Maintenance and Repair Obligations. During the Term, Tenant, at Tenant's sole cost and expense, shall keep and maintain the Premises and any improvements serving the Premises to a first-class standard similar to the condition that the Premises was as of the Effective Date, with normal wear and tear expected. Landlord shall bear no financial responsibility for costs associated with the Premises. Each year during the Term, Tenant shall provide the Vineyard City Council with a report on the use and condition of the Premises, which report shall include: (i) the past and current operating budget; (ii) the projected operating budget for the upcoming year, as required by Section 10.4 below; (iii) the financial management plan, as required by Section 10.5 below; (iv) data on the Premises' membership and usage; (v) the fee schedule for memberships and admissions for the upcoming year (vi) Tenant's financial statements; and (vii) a certification to Landlord that Tenant is adhering to the public access requirements set forth in Section 4.5 to 4.7 below.

4.4 Inspection of Premises. During the Term, Landlord may, upon at least twenty-four (24) hours' notice to Tenant, inspect the Premises to determine Tenant's compliance with this Lease. If Landlord identifies areas of the Premises that require maintenance, repair, or replacement to meet the standards described in Section 4.3 above, then Tenant shall maintain, repair, or replace the area of the Premises identified by Landlord within thirty (30) days of receiving notice thereof from Landlord (or in the case that such maintenance, repair, or replacement cannot be completed within thirty (30) days, Tenant shall commence the maintenance, repair, or replacement and be diligently prosecuting such completion.) If Tenant fails to timely maintain, repair, or replacement the areas of the Premises after receiving notice from Landlord, then Landlord may proceed to maintain, repair, or replacement the Premises and charge Tenant for the costs thereof.

4.5 Renovations and Improvements. Tenant may renovate or improve the Premises provided that any single renovation or improvement project in excess of $50,000 must be pre-approved by the Vineyard City's Parks and Recreation Director. Tenant may renovate or improve the Premises without Landlord's consent if the costs of single renovation or improvement project is less than $50,000, provided that Tenant submits notice to Landlord prior to the commencement of such renovation or improvement. Notwithstanding the foregoing, Tenant shall not make any renovations or improvements to the Premises that, in the aggregate, cost more than $100,000 in any calendar year unless Tenant first obtains written approval by the Vineyard City Parks and Recreation Director.

4.6 Public Availability. During the Term, Tenant shall make the Premises available to the general public as follows:

(a) For those areas of the Premises designated as "public with admission" or "available for public use with admission" on the Concept Plan, Tenant shall allow the public access to those areas but may charge a daily, monthly, or annual admission fees to the public for access and may impose time and manner restrictions on the use of such areas.

(b) For those area of the Premises designated as “available with membership reservation” or “public with membership” on the Concept Plan, Tenant shall allow the public access to those area contingent on the purchase of a membership offered by Tenant. Tenant may also impose time and manner restrictions on the use of such areas. Tenant shall reserve at least 20% of the memberships for purchase by residents of Vineyard City.

(c) For the area of the Premises designated as “concessions available for purchase by public” on the Concept Plan, Tenant may operate or sublease to third-party concessions areas that are open to the public that have paid admission or have a membership.

(d) For the area of the Premises designated as “restaurant available for purchase by public” on the Concept Plan, Tenant may operate or sublease to a third-party a restaurant that is open to the public for food or beverage service and does not require paid admission or a membership.

(e) For the area of the Premises designated as “mechanical rooms no public access” on the Concept Plan, Tenant may close off such area to any and all public access.

4.7 Non-Discrimination. Subject to Section 4.6 above, Tenant shall make the Premises available to the general public irrespective of race, color, national origin, religion, sex, sexual orientation, familial status, or disability.

4.8 Uniform Admissions and Membership. Any admission or membership charge for the public’s use of the Premises shall be uniformly charged to all residents of Vineyard City. Tenant may charge non-residents of Vineyard City different fees than what Tenant charges residents of Vineyard City. The initial admissions and membership fee schedule is attached hereto as Exhibit B. Tenant may periodically raise admissions and memberships fees to cover the maintenance and operations costs of the Premises provided that any such raise in fees do not materially and unreasonably prevent the public’s access to the Premises, and further provided that such fees are generally consistent with the fees charged by comparable public facilities, taking into account any tax funding received by such comparable facilities.

4.9 Community Event. Landlord may occasionally host community events at the Premises (“**Community Event**”), provided that: (i) Landlord provide Tenant with notice at least thirty (30) days in advance of a Community Event; (ii) schedule a Community Event as to not unreasonably interfere with Tenant’s use of the Premises; (iii) upon completion of the Community Event, clean and restore the Premises to the condition it was in prior to the Community Event; and (iv) reimburse Tenant for its reasonable costs incurred by the Community Event, such as, but not limited to, utility costs, security, and employee costs, if any. If Landlord elects to host a Community Event at the Premises, then Landlord shall, at Landlord’s sole costs and expense obtain liability insurance insuring against all injury, death, or damage to the Premises of not less than $1,000,000 (combined single limit for personal injury, including death, and property damage), and Landlord covenants and agrees to indemnify and save Tenant and its Related Parties [defined later] harmless for, from and against each and every claim, demand, liability, loss, cost, damage and expense, including, without limitation, attorneys’ fees and court costs, arising out of any injury to or death of persons or damage to property in relation to the Community Event that is caused by Landlord or its agents, contractors, licensees, invitees, or employees, except in each instance to the extent the same is caused by any willful or grossly negligent act or omission of Tenant, its agents, employees or contractors.

ARTICLE 5
GENERAL INDEMNITY; INSURANCE; CASUALTY

5.1 General Tenant Indemnity Provisions. Tenant covenants and agrees to indemnify and save Landlord and its Related Parties [defined later] harmless for, from and against each and every claim, demand, liability, loss, cost, damage and expense, including, without limitation, attorneys' fees and court costs, arising out of (i) any failure on the part of Tenant to perform or comply with any of the terms of this Lease; and (ii) any injury to or death of persons or damage to property at the Premises caused by Tenant or its agents, contractors, licensees, invitees, or employees, except in each instance to the extent the same is caused by any willful or grossly negligent act or omission of Landlord, its agents, employees or contractors. These indemnity provisions, as well as all other indemnity provisions in this Lease, shall survive the expiration of this Lease or the earlier termination thereof.

5.2 Casualty Insurance. Tenant will, at all times during the Term and at the sole cost and expense of Tenant, obtain and maintain in effect an all-risk property and casualty insurance policy for the benefit of Landlord and Tenant insuring one hundred percent (100%) of replacement cost of the buildings located on the Premises. The original of such policy or policies shall remain in possession of Tenant.

5.3 Liability Insurance. Tenant, at the sole cost and expense of Tenant, shall at all times during the Term maintain in force an insurance policy or policies which will name Tenant as insured and Landlord as an additional insured, insuring against all liability resulting from injury or death occurring to persons in or about the Premises and from property damage occurring in or about the Premises, the liability under such insurance to be not less than $1,000,000 (combined single limit for personal injury, including death, and property damage).

5.4 Insurance Policy Requirements. The insurance policies and certificates required by this **Article 5** shall require the insurance company to furnish Landlord and Tenant, as the case may be, thirty (30) days' prior written notice of any cancellation or lapse, or the effective date of any reduction in the amounts or scope of coverage. Landlord and Tenant agree that Landlord may satisfy its insurance obligations under this Lease by a blanket policy of insurance. Upon request, each party shall cause certificates of insurance reasonably evidencing compliance with the requirements of this **Article 5** to be delivered to the other party.

5.5 Mutual Waiver of Subrogation Rights. Tenant and Landlord each hereby release and relieve the other and any parent, subsidiary or affiliate of the other, and their respective directors, officers, shareholders, employees, representatives and agents (the "**Related Parties**") and waive their entire right of recovery against the other and the Related Parties of the other, for loss or damage arising out of or incident to the perils insured against under this **Article 5**, which perils occur in, on or about the Premises, whether due to the negligence of Landlord or Tenant or their Related Parties but only to the extent of insurance proceeds actually paid.

5.6 Damage. If any buildings, structures or other improvements upon the Premises shall be destroyed or damaged in whole or in part by fire or other casualty so as to render the Premises untenantable, this Lease may be terminated at the election of Tenant or Landlord, by sending written notice thereof to the Landlord, which termination shall be effective immediately upon receipt thereof. Upon any termination of this Lease pursuant to this **Section 5.6**, Tenant's rental obligations shall immediately cease, and except as otherwise expressly provided herein, all of the obligations of Landlord and Tenant shall terminate.

ARTICLE 6
UTILITIES AND TAXES

6.1 Utility Charges; Common Area Charges. Tenant shall pay or cause to be paid, when due and prior to delinquency, any and all charges for water, gas, electricity, telephone service, and any other utilities used in or upon the Premises by or on behalf of Tenant during the Term and agrees not to permit any charges of any kind to accumulate or become a lien against the Premises.

6.2 Taxes. Tenant shall pay, during the entire Term of this Lease, all real estate taxes, assessments, and charges and other governmental levies and charges, general and special which are assessed or imposed upon the Premises, or any part thereof, or which become payable during the Term of this Lease. Tenant shall pay all personal property taxes charged against Tenant's property and the Premises, or any other personal property belonging to Tenant. Tenant shall try to have personal property taxed separately from the Premises. If any of Tenant's property or the Premises is taxed with the Landlord's property, Tenant shall pay such taxes directly or pay Landlord the taxes for the personal property within fifteen (15) days after Tenant receives a written statement from Landlord for such personal property taxes.

ARTICLE 7
ASSIGNMENT AND SUBLETTING

7.1 Assignments. Tenant shall not assign all or any part of this Lease, or sublet all or any part of the Premises, without the prior written consent of Landlord. In the event of an approved assignment or sublet of the entire Premises, Tenant shall be released from the performance of all obligations to be performed by Tenant under this Lease, including payment of the Rental Amount. Notwithstanding the foregoing requirements of this Section 7.1, Tenant may sublease the "concession", "restaurant", "event space" and "spa" areas as depicted on the concept plan to a third-party without Landlord's written consent.

7.2 Sale by Landlord. Landlord shall not sell, transfer, assign or otherwise dispose of its interest in the Premises or this Lease, or any part thereof or interest therein, without the consent of Tenant. This Lease shall not be affected by any such sale, transfer, assignment or disposal of Landlord's interest and Tenant agrees to attorn to Landlord's purchaser or assignee.

ARTICLE 8
DEFAULTS AND REMEDIES

8.1 Default. Tenant shall be in default hereunder (i) the non-payment of the whole or any portion of the rent after more than five (5) days following Tenant's receipt of written notice from Landlord thereof, or (ii) the non-performance by Tenant of any other covenant or condition herein set forth on the part of said Tenant to be kept and performed after more than twenty (20) days following Tenant's receipt of written notice of the default from Landlord (or in the case of a default that cannot be cured within twenty (20) days, Tenant shall not have commenced to cure such default and be diligently prosecuting such cure). Tenant shall also be in default under this Lease and Landlord shall be entitled to exercise its remedies under this Lease for default (a) if Tenant shall file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any federal or state bankruptcy law or any similar federal or state law, or shall be adjudicated a bankrupt or shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due; or (b) if a receiver, trustee or liquidator of Tenant or of all or substantially all of the assets of Tenant or Tenant's leasehold interest in the Premises shall be appointed in any proceeding brought by Tenant, or if any such receiver, trustee or liquidator shall be appointed in any proceeding brought against Tenant and shall not be discharged within sixty (60) days after the occurrence thereof, or if Tenant shall consent to or acquiesce in such appointment.

8.2 Remedies. On any event of default, Landlord, at Landlord's option, may exercise any and all rights and remedies available at law or in equity or pursuant to this Lease, in any order, successively or concurrently, including the following:

(a) Cure of Default. Landlord may take any action deemed necessary by Landlord, in Landlord's reasonable discretion, to cure the default. Tenant shall be liable to Landlord for all of Landlord's reasonable expenses so incurred, as additional rent, payable by Landlord to Tenant within ten (10) days of receipt by Tenant of an invoice therefor.

(b) Termination of Lease. Landlord may terminate this Lease by written notice to Tenant of Landlord's election to do so. Upon the giving of such notice, this Lease shall expire and terminate on the date set forth in such notice as fully and completely and with the same effect as if such date were the date herein fixed for the expiration of the Term, and all rights of Tenant shall expire and terminate, but Tenant shall remain liable as hereinafter provided.

(c) Right to Re-enter. Landlord shall have the right, pursuant to proper legal process and regardless of whether or not the term of this Lease shall have been terminated pursuant to **Section 8.2(b)**, to re-enter and repossess the Premises by summary proceedings, ejectment, any other legal action or in any lawful manner Landlord determines to be necessary or desirable and to remove all persons and property therefrom. No such re-entry or repossession of the Premises shall be construed as an election by Landlord to terminate the term of this Lease unless a notice of such termination is given to Tenant pursuant to **Section 8.2(b).**

8.3 Waiver of Breach. No waiver by Landlord or Tenant of the breach of any provision of this Lease shall be construed as a waiver of any preceding or succeeding breach of the same or any other provision of this Lease, nor shall the acceptance of rent by Landlord during any period of time in which Tenant is in default in any respect other than payment of rent be deemed to be a waiver of such default.

ARTICLE 9
SUBORDINATION

9.1 Subordination. Tenant agrees to execute any documents required to effectuate an attornment or subordination of this Lease to the lien of any mortgage or deed of trust, as the case may be; provided, however, that Tenant shall receive a customary nondisturbance agreement from the holder of any such mortgage or deed of trust, as the case may be.

9.2 Delivery of Estoppel Certificate. Each party shall at any time upon twenty (20) days' prior written notice from the other party execute, acknowledge and deliver to the requesting party an estoppel certificate regarding the terms and provisions of this Lease, in a commercially reasonable form. Any such statement may be conclusively relied upon by any encumbrancer of the Premises or any interest therein.

ARTICLE 10
SPECIAL TENANT OBLIGATIONS

10.1 Non-Profit Status. Tenant shall be a nonprofit corporation authorized to operate in the State of Utah. Tenant shall maintain its nonprofit status throughout the Term.

10.2 Tenant Revenue. Any revenue that Tenant receives directly by: (i) charging admission for the public's use of the Premises; (ii) charging a membership fee for use of the Premises; (iii) sale of concession items or services; (iv) sale of spa services; (v) rent associated with the event space (as depicted on the Concept Plan); (vi) subleasing the restaurant, event space, concession area, or spa; or (vii) any other funds received by Tenant from the Premises (collectively, "**Tenant Revenue**") shall be used only for the operation, repair, maintenance, improvement, or costs associated with the Premises, including rent and other costs Tenant incurs under this Lease. If the Tenant Revenue for a given year exceeds Tenant's costs for a given year ("**Excess Revenue**"), then Tenant shall keep any Excess Revenue in an account to be used for future Premises' expenses. If the cumulative Excess Revenue held in an account exceeds 50% of the operating costs for the following year, as determined by the operating budget described in Section 10.4 below (the "**Reserve Threshold**") then Tenant shall expend such Excess Revenue above the Reserve Threshold on improving the Premises or providing community recreation benefits at the Premises.

10.3 Audit. Tenant shall obtain an annual, independent audit of Tenant's use of the Tenant Revenue to ensure compliance with this Lease.

10.4 Operating Budget. For each year during the Term, Tenant shall prepare an operating budget for the Premises and shall submit a copy of the same to Landlord.

10.5 Financial Management Plan. In addition to the annual operating budget described in Section 10.4 above, Tenant shall prepare and maintain a rolling five-year financial management plan to care for the ongoing maintenance, repair, or replacement needs of the Premises.

ARTICLE 11
GENERAL PROVISIONS

11.1 Notices. Notices shall be in writing and shall be given by personal delivery, by deposit in the United States mail, certified mail, return receipt requested, postage prepaid, or by express delivery service, freight prepaid. Notices shall be delivered or addressed to Landlord and Tenant at the addresses set forth in the Fundamental Lease Provisions or at such other address or number as a party may designate in writing. The date notice is deemed to have been given, received and become effective shall be the date on which the notice is delivered, if notice is given by personal delivery, or the date of actual receipt, if the notice is sent through the United States mail or by express delivery service.

11.2 Miscellaneous. The prevailing party shall be entitled to reasonable attorneys' fees and court costs, as determined by the court, in any action relating to this Lease. The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof. Neither this Lease nor any memorandum of this Lease shall be recorded or filed without Landlord's prior written consent. No remedy or election hereunder shall be deemed exclusive but shall be cumulative with all other remedies hereunder or at law or in equity. Headings are used only for convenience and shall not be deemed to affect the interpretation or construction of this Lease. This Lease shall not be construed for or against Landlord or Tenant. This Lease and all of provisions hereof shall be binding upon and inure to the benefit of the successors and assigns of Landlord and Tenant. This Lease shall be governed, construed, and controlled according to the laws of the State of Utah. Time is of the essence of this Lease and in the performance of all of the covenants and conditions hereof. No subsequent alteration, amendment, change, or addition to this Lease shall be binding upon Landlord or Tenant unless in writing and signed by each of them. This Lease sets forth the entire agreement between Landlord and Tenant relative to the Premises, and there are no other agreements, conditions, or understandings, oral or written, express or implied, between the parties. This Lease may be executed in one or more counterparts, each of which, when taken together, shall constitute the original. Electronic signatures shall be adequate to indicate original signatures.

IN WITNESS WHEREOF, this Lease has been executed and delivered by Landlord and Tenant.

[Signatures on Following Page]

LANDLORD:

VINEYARD CITY,
a political subdivision of the State of Utah

By: ____________________________________
Name: _________________________________
Its: ____________________________________

Attest: _________________________________
City Recorder

TENANT:

[Nonprofit Entity]
a Utah nonprofit corporation

By: ____________________________________
Name: _________________________________
Its: ____________________________________

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PREMISES

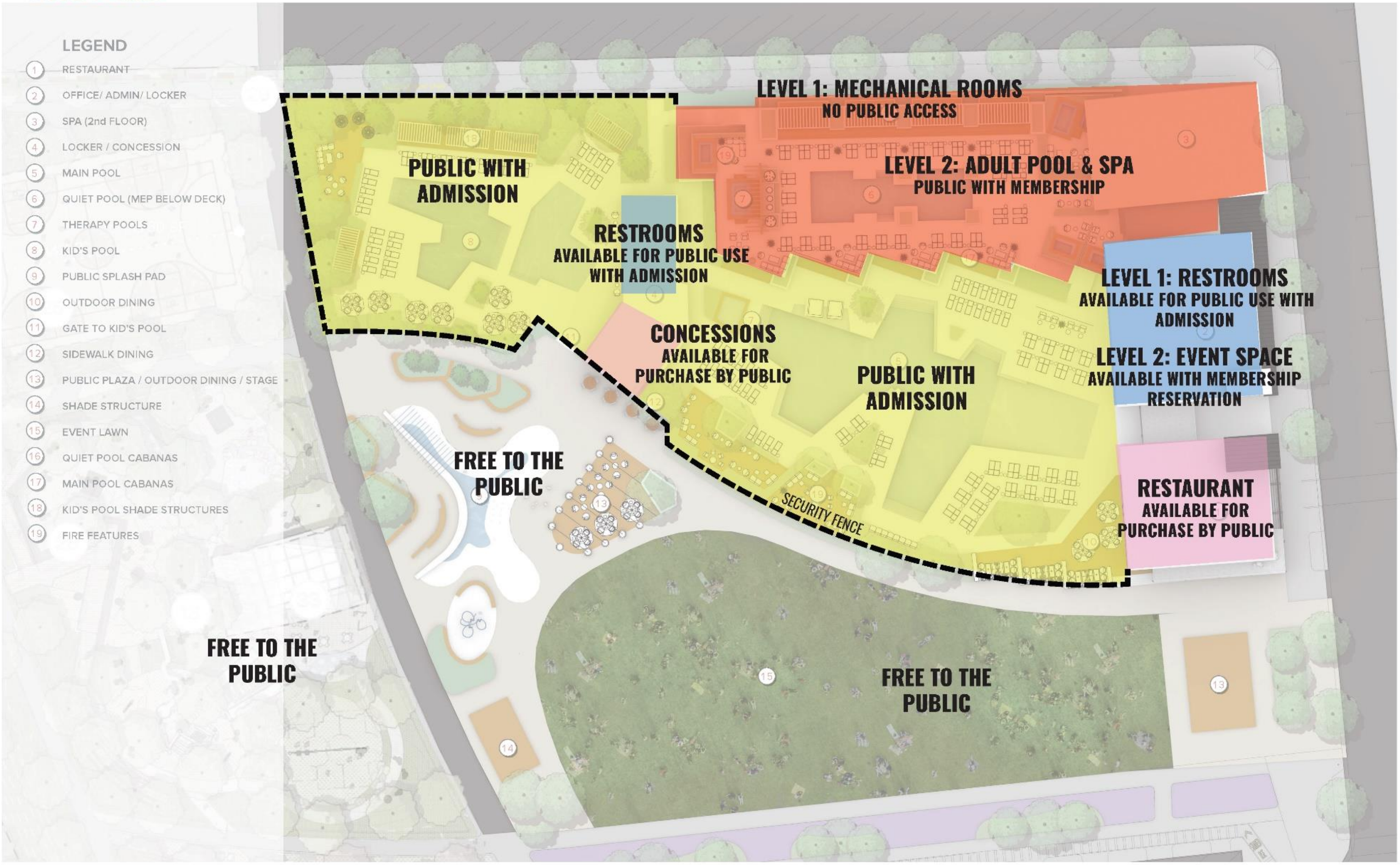
[To be Inserted]

EXHIBIT A-2

CONCEPT PLAN OF THE PREMISES

(Attached)

Site Plan



LEGEND
1 RESTAURANT
2 OFFICE/ ADMIN/ LOCKER
3 SPA (2nd FLOOR)
4 LOCKER / CONCESSION
5 MAIN POOL
6 QUIET POOL (MEP BELOW DECK)
7 THERAPY POOLS
8 KID'S POOL
9 PUBLIC SPLASH PAD
10 OUTDOOR DINING
11 GATE TO KID'S POOL
12 SIDEWALK DINING
13 PUBLIC PLAZA / OUTDOOR DINING / STAGE
14 SHADE STRUCTURE
15 EVENT LAWN
16 QUIET POOL CABANAS
17 MAIN POOL CABANAS
18 KID'S POOL SHADE STRUCTURES
19 FIRE FEATURES
LEVEL 1: MECHANICAL ROOMS
NO PUBLIC ACCESS
LEVEL 2: ADULT POOL & SPA
PUBLIC WITH MEMBERSHIP
PUBLIC WITH ADMISSION
RESTROOMS
AVAILABLE FOR PUBLIC USE WITH ADMISSION
LEVEL 1: RESTROOMS
AVAILABLE FOR PUBLIC USE WITH ADMISSION
CONCESSIONS
AVAILABLE FOR PURCHASE BY PUBLIC
PUBLIC WITH ADMISSION
LEVEL 2: EVENT SPACE
AVAILABLE WITH MEMBERSHIP RESERVATION
FREE TO THE PUBLIC
SECURITY FENCE
RESTAURANT
AVAILABLE FOR PURCHASE BY PUBLIC
FREE TO THE PUBLIC
FREE TO THE PUBLIC

EXHIBIT B

Initial Fee Schedule

(To be attached at time of execution)

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: December 13, 2023

Agenda Item: 4.2 East District: The Creation of Public Infrastructure District (Resolution 2023-58)

Department: Administration

Presenter: Jayme Blakesley

Background/Discussion: Public Infrastructure Districts – Downtown – East District

This item will establish and adopt the governing documents for a Public Infrastructure District area East in the Vineyard Downtown Development. This structure allows for the development of necessary infrastructure in the project areas without burdening the city with those expenses.

Fiscal Impact:

Public Infrastructure District (PID) are specialized local-governmental entities established to finance and manage public infrastructure projects. Here is a summary of their key feature:

- A PID is an independent unit of local government established jointly by a city and the landowner/developer of the PID area;
- The construction of public infrastructure within a PID is funded either partially or entirely by a property tax levy or assessments to the property owners within the PID. This additional tax is a separate line item on a property owner's annual property tax assessment and is used to repay bond obligations.
- The primary role of a PID is to finance the construction of public improvements for the benefit of all residents and taxpayers of the district.
- PIDs are not created to provide ongoing operations and maintenance services. Once the public infrastructure is built, the PIDs role is typically concluded.

Recommendation:

Staff recommends the creation of a PID for the area of the East District of the Vineyard Downtown Development as per the attached map.

Sample Motion:

"I move to adopt Resolution 2023-58, approving the creation of a Public Infrastructure District for the East district of the Vineyard Downtown Development."

VINEYARD
STAY CONNECTED

VINEYARD CITY COUNCIL STAFF REPORT

Attachments:
Resolution 2023-58
Map

RESOLUTION NO. 2023-58

A RESOLUTION OF THE VINEYARD CITY COUNCIL PROVIDING FOR THE CREATION OF THE UTAH CITY EAST PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-5 (COLLECTIVELY, THE "DISTRICTS") AS INDEPENDENT DISTRICTS; AUTHORIZING AND APPROVING A GOVERNING DOCUMENT; APPOINTING BOARDS 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 Public Infrastructure Districts pursuant to the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953, as amended (the "PID Act") and relevant portions of the Limited Purpose Local Government Entities – Special Districts, Title 17B (together with the PID Act, the "Act") within the City and approve the withdrawal of any portion of the boundaries of the Districts therefrom without further approval or hearings of the City or the Council, as further described in the Governing Document (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 Districts (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 Districts be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, the City, prior to consideration of this Resolution, held public hearings after 6:00 p.m. to receive input from the public regarding the creation of the Districts and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, the hearing on the Petition was held at the City Hall because there is no reasonable place to hold a public hearing within the Districts' boundaries, and the hearing at the City Hall was held as close to the applicable area as reasonably possible; and

WHEREAS, the City properly published notice of the public hearing in compliance with Section 17B-1-211(1) of the Act; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the Districts before the public hearing on the Petition; and

WHEREAS, according to attestations filed with the City, each board member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a board member of the Districts under Section 17D-4-202(c) of the PID Act because they are agents of property owners within the Districts' boundaries (as further set forth in the Petition); and

WHEREAS, it is necessary to authorize the creation of the Districts 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 Districts shall be in accordance with the PID Act and the terms of a governing document (the "Governing Document") attached hereto as Exhibit A; and

WHEREAS, pursuant to the requirements of the Act, there shall be signed, authenticated, and submitted to the Office of the Lieutenant Governor of the State of Utah for each of the Districts a Notices of Boundary Action attached hereto as Exhibit B (the "Boundary Notices") and Final Entity Plat attached to each as Boundary Notices Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) (the "Plat").

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF VINEYARD, UTAH AS FOLLOWS:

Section 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 Districts, are hereby ratified, approved and confirmed.

Section 2. The Districts are hereby created as separate entities from the City in accordance with the Governing Document and the Act. The boundaries of the Districts shall be as set forth in the Governing Document and the Plat.

Section 3. Pursuant to the terms of the PID Act, the Council does hereby approve the annexation or withdrawal of any area within the Annexation Area (as defined in the Governing Document) into or from the Districts, as applicable, 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.

Section 4. The Council does hereby authorize the Districts to provide services relating to the financing and construction of public infrastructure within the Annexation Area upon annexation thereof into the Districts without further request of the Districts 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.

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

Section 6. The Governing Document in the form presented to this meeting and attached hereto as Exhibit A is hereby authorized and approved and the Districts shall be governed by the terms thereof and applicable law.

Section 7. The Trustees of each Board of the Districts shall be initially composed of the same members. The initial Boards of the Districts are hereby appointed as follows:

(a) Trustee 1 – Nate Hutchinson, for an initial 6-year term;
(b) Trustee 2 – Peter Evans, for an initial 6-year term
(c) Trustee 3 – Heather Hutchinson, for an initial 4-year term;
(d) Trustee 4 – Bronson Tatton, for an initial 4-year term; and
(e) Trustee 5 – Terry Wade, for an initial 4-year term;
(f) 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.

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

Section 9. Prior to recordation of a certificates of creation for all Districts, the Council does hereby authorize the Mayor, a Council Member, the City Attorney, or the City Manager to make any corrections, deletions, or additions to the Governing Document, and the Boundary Notices 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.

Section 10. The Boards of Trustees of the Districts (the "District Boards") are hereby authorized and directed to record such Governing Document with the recorder of Vineyard City within 30 days of the issuance of the Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah.

Section 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.

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

Section 13. This resolution shall take effect immediately.

Passed and dated this 27th day of December 2023.

Julie Fullmer, Mayor

Attest:

Pamela Spencer, City Recorder

Exhibit A

Governing Document

GOVERNING DOCUMENT

FOR

UTAH CITY EAST PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-5

VINEYARD, UTAH

Prepared By:

WBA
WHITE BEAR ANKELE
TANAKA & WALDRON
ATTORNEYS AT LAW

2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
(303) 858-1800

APPROVED ON DECEMBER 27, 2023

LIST OF EXHIBITS

I. INTRODUCTION

A. Purpose and Intent. The Districts are independent units 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, their 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 Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

B. Objective of the City Regarding Districts' Governing Document. The City's objective in approving the Governing Document for the Districts is to authorize the Districts 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 Districts. All Debt is expected to be repaid by 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 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 Districts 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 by agreement with the City by amending this Governing Document or through an Interlocal Agreement, and as provided through a relevant public entity or by the Districts if statutory changes occur subsequent to approval of this Governing Document that allow the Districts to directly provide for operational activities.

It is the intent of the Districts 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, and if the Districts has authorized operating functions, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

C. Limitation on Applicability. This Governing Document is not intended to and does not create any rights or remedies in favor of any party other than the City. Failure of the Districts to comply with any terms or conditions of this Governing Document shall not relieve any party of an obligation to the Districts or create a basis for a party to challenge the incorporation or operation of the Districts, or any Debt issued by the Districts.

II. DEFINITIONS

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

Annexation Area: means the property shown in **Exhibit B**.

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

Board: means the Board of Trustees of a District.

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

City: means Vineyard, Utah.

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

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

District: means the Utah City Public Infrastructure Districts.

Districts: means two or more Utah City East Public Infrastructure Districts.

Districts' Area: means the Qualified Property within the boundaries depicted in the Initial Districts' Boundary Maps and the Annexation Area Boundary Map.

Fees: means any fee imposed by any District for administrative or operational services provided by such District.

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

Governing Document: means this Governing Document for the Districts 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 Boards in accordance with applicable state law.

Initial Districts' Boundaries: means the boundaries of the Districts described in the Initial Districts' Boundaries Map.

Initial Districts' Boundaries Map: means the map(s) attached hereto as **Exhibit B**, describing the initial boundaries of the Districts.

Limited Tax Debt: means a debt that is directly payable from and secured by ad valorem property taxes that are levied by the Districts which may not exceed the Maximum Debt Mill Levy.

Local Districts Act: means Title 17B of the Utah Code, as amended from time to time.

Maximum Debt Mill Levy: means the maximum mill levy the Districts are permitted to impose for payment of Debt as set forth in Section VI.C below.

Municipal Advisor: means a consultant that: (i) advises Utah governmental entities on matters relating to the issuance of securities by Utah governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an 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 Districts and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Net Proceeds: means the gross proceeds of the sale of bonds, less any of the following: (1) amounts applied or to be applied to pay transaction and administrative expenses, including underwriting discount, (2) amounts to pay cost of issuance, and (3) amounts to pay capitalized interest and to fund any reserves deemed necessary or appropriate by the Districts, not including any investment earnings realized thereon.

Project: means the development or property known as Utah City.

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 and inhabitants of the Districts' Area as determined by the Board.

Qualified Property: means all commercial property, including all multi-family residential property. The term "Qualified Property" excludes all residential units that are developed for sale to individual buyers and are owner-occupied.

State: means the State of Utah.

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

Trustee: means a member of a Board.

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

III. BOUNDARIES

The combined area of the Initial Districts' Boundaries and the Annexation Area includes approximately 292 acres. A legal description of the Initial Districts' Boundaries is attached hereto as **Exhibit A**. It is anticipated that the Districts' boundaries may change from time to time as they undergo annexations and withdrawals pursuant to Section 17B-4-201, Utah Code, subject to Article V below. The project is expected to consist of approximately 191 acres of residential property, 28 acres of commercial property and 73 acres of civic/open space and parks.

IV. BENEFITS OF DISTRICTS

The Districts anticipate providing many benefits to the City and surrounding areas including: storm drainage improvements, a potable water system, sanitary sewer improvements, streets, sidewalks, landscaping and irrigation improvements, traffic and street lighting improvements, public parking facilities, public parks and a public trail system.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Governing Document Amendment. The Districts shall have the power and authority to provide the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the PID Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein. The estimated cost of the public improvements are set for in **Exhibit C**.

B. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. Where required, the Districts shall dedicate the Public Improvements to the City or other appropriate public entity in a manner consistent with the rules, regulations and City Code of the City or consistent with the applicable rules and regulations of another public entity. The Districts 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, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

C. Construction Standards Limitation. Pursuant to Section 17D-4-204(3)(a)(ii), Utah Code, to the extent the Districts construct any Public Improvements, they will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City, as are duly enacted by ordinance or established by a development agreement between a developer and the City, and of other governmental entities having proper jurisdiction. The Districts will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Land easements, or improvements to be conveyed or dedicated to the City and any other local government entity shall be conveyed in accordance with the related standards at no cost to the City. All public infrastructure within the Districts, which will be connected to and owned by another public entity, shall be subject to all design and inspection requirements and other standards of such public entity. The Districts shall be subject to City zoning, subdivision, building codes, and all other applicable City ordinances and regulations. Approval of the Governing Document shall not bind the City to approve other matters which the Districts or developer may request. The Districts shall pay all fees and expenses as provided in the Governing Document.

The Districts shall be subject to the State of Utah's procurement statutes and regulations. At a minimum, the acquisition of completed or partially completed improvements shall be for fair market value, as reasonably determined by a surveyor or engineer.

D. Annexation and Withdrawal.

(a) The City, by approval of this Governing Document, has consented to the annexation of any area within the Districts' Area into any District. Such area may only be annexed after 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 of the District approving the annexation. The Districts shall not annex within their boundaries any property outside the Districts' Area without the prior written consent of the City.

(b) The City, by approval of this Governing Document, has consented to the withdrawal from the Districts of any property within the Districts' Area. Such area may only be withdrawn from the District after 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 of the District approving the withdrawal.

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

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

(e) Annexation or withdrawal of any area in accordance with this section shall not constitute an amendment of this Governing Document.

E. Governing Document Amendment Requirement. This Governing Document has been designed with sufficient flexibility to enable the Districts to provide required facilities under evolving circumstances without the need for numerous amendments. Subject to the limitations and exceptions contained herein, this Governing Document may be amended by passage of a resolution of the City and the applicable Districts approving such amendment.

F. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of an aggregate amount of One Billion Dollars ($1,000,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the Districts.

G. Bankruptcy Limitation. All of the limitations contained in this Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, 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 non-bankruptcy 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, 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. Alternative District Types. If it is determined, in the sole discretion of the Board of any District, that the particular District is not adequately serving the project, the Board may convert or replace the District with an alternative type of local district, special service district or other statutorily created governmental entity whether in existence at the time of approval of this Governing Document or established subsequent to the approval of this Governing Document. At the direction of a Board, any District may, in accordance with applicable law and after obtaining consent from the City, be converted from a public infrastructure district to an alternative governmental entity.

H. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District may be clarified in an interlocal agreement between and among one or more of the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Governing Document.

VI. THE BOARD OF TRUSTEES

A. Board Composition. The Board shall be composed of five (5) Trustees, who shall be appointed by the City Council pursuant to the PID Act. All Trustees shall be at large seats. Trustee terms for each District shall be staggered with initial terms as follows: Trustees 3, 4, and 5 shall serve an initial term of 4 years; Trustees 1 and 2 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 such District. Upon any annexation or withdrawal in accordance with this Governing Document, any affected District may adjust its anticipated residential certificates of occupancy to reflect such boundary change.

B. Appointments and Vacancies. Any change in the composition of a Board's membership, including filling a vacancy, shall be approved by the City. The appointed Trustee shall meet all qualifying and eligibility requirements set forth in Section 17D-4-202, Utah Code.

VII. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts.

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. The maximum term for the bonds will be 40 years, not including refundings.

C. Maximum Debt Mill Levy.

(a) The "Maximum Debt Mill Levy" shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within such Districts for payment of Limited Tax Debt shall be $0.015 per dollar of taxable value of taxable property in such District; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code. The Districts may only impose a mill levy against the Qualified Property.

(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. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the Districts 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 Districts authorizing the issuance of this Bond and in the Governing Document for creation of the Districts.

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 Districts.

E. Security for Debt.

The Districts shall not pledge as security any land, assets, funds, revenue or property of the City, or property to be conveyed to the City, as security for the indebtedness set forth in this Governing Document. Approval of this Governing Document shall not be construed as a guarantee by the City of payment of any of the Districts' 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 Districts in the payment of any such obligation. All debt issued by the Districts for which a tax is pledged to pay the debt service shall meet the requirements of all applicable statutes.

F. Bond and Disclosure Counsel; Municipal Advisor.

It is the intent of the City that the Districts shall use competent and nationally recognized bond counsel, disclosure counsel and a Municipal Advisor with respect to the Districts' Bonds to ensure proper issuance and compliance with this Governing Document. The forgoing requirement may be waived by written agreement by the City.

VIII. QUARTERLY REPORT

A. General. In addition to all reporting requirements required by state law, the Districts shall be responsible for submitting a quarterly report (or less frequently if agreed to by the City and the Districts) to the City Recorder's Office no later than 30 days following the end of each quarter for the Districts' fiscal year, beginning with fiscal year 2024.

B. Reporting of Significant Events. The annual report shall include information as to any of the following:

1. Names and terms of Board members and officers;

2. Districts' office contact information, if changed;

3. A summary of any litigation which involves the Districts as of the last day of the prior fiscal year, if any;

4. A summary of the total debt authorized and total debt issued by the Districts as well as any presently planned debt issuances;

5. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument; and

6. Any inability of the Districts to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

C. Notice of Action. If state law requires that the Districts provide public notice prior to taking any action, the Districts shall provide the City with notice of such potential action at least seven (7) days prior to the date the Districts are required to provide public notice under state law.

IX. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District were created have been accomplished, the Districts agree to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until such Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

X. DISCLOSURE TO PURCHASERS

Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation for the Districts, the Board shall record a notice with the recorder of Utah

County and provide a copy of the notice to the City. Such notice shall (a) contain a description of the boundaries and annexation area of the Districts, (b) state that a copy of this Governing Document is on file at the office of the City, (c) if applicable, state that the debt may convert to general obligation debt and outlining the provisions relating to conversion, and state that the Districts may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the maximum rate the Districts may levy; (e) provide notice that a mil levy may be imposed only against Qualified Property; and (f) include the substantially the following language in bold:

"Under the maximum property tax rate of the Districts, a primary residence valued at $[insert average anticipated residential property value] would have an additional annual property tax of $______ for the duration of the Districts' Bonds. A business property valued at $[insert average anticipated commercial property value] would have an additional annual property tax of $_______ for the duration of the Districts' Bonds."

Failure to provide any disclosures required by this Section shall not relieve any property owner of the obligation to pay taxes imposed by the Districts.

XI. ENFORCEMENT.

In accordance with Section 17D-4-201(5) of the Utah Code, the City may impose limitations on the powers of the Districts through this Governing Document. The City shall have the right to enforce any of the provision, limitations or restrictions in this Governing Document against the Districts, through any and all legal or equitable means available to the City, including, but not limited to, injunctive relief.

EXHIBIT A

Legal Descriptions

Public Infrastructure District No. 1

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 8; THENCE NORTH A DISTANCE OF 123.86 FEET; THENCE WEST A DISTANCE OF 1970.51 FEET TO THE TRUE POINT OF BEGINNING;

THENCE N.01°50'30"W. A DISTANCE OF 299.94 FEET TO A POINT OF CURVATURE OF A 9419.44-FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 294.81 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 01°47'36" AND A CHORD THAT BEARS N.88°55'24"E. A DISTANCE OF 294.80 FEET; THENCE S.00°10'14"E. A DISTANCE OF 300.00 FEET TO A POINT OF CURVATURE OF A 9116.69-FOOT RADIUS NON-TANGENT CURVE TO THE LEFT; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 286.06 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 01°47'52" AND A CHORD THAT BEARS S.88°55'50"W. A DISTANCE OF 286.05 FEET TO THE POINT OF BEGINNING.
CONTAINING 2.00 ACRES.

Public Infrastructure District No. 2

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 8; THENCE NORTH A DISTANCE OF 127.36 FEET; THENCE WEST A DISTANCE OF 1395.80 FEET TO THE TRUE POINT OF BEGINNING;

THENCE N.89°31'18"W. A DISTANCE OF 209.01 FEET TO A POINT OF CURVATURE OF A 9116.69.44-FOOT RADIUS TANGENT CURVE TO THE LEFT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 79.70 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 00°30'03" AND A CHORD THAT BEARS N.89°55'12"W. A DISTANCE OF 79.70 FEET; THENCE N.00°10'14"W. A DISTANCE OF 300.00 FEET TO A POINT OF CURVATURE OF A 9419.44-FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 83.09 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 00°30'20" AND A CHORD THAT BEARS S.89°55'38"W. A DISTANCE OF 83.09 FEET; THENCE S.89°31'18"E. A DISTANCE OF 209.01 FEET; THENCE S.00°28'42"W. A DISTANCE OF 300.00 FEET TO THE POINT OF BEGINNING.

CONTAINING 2.00 ACRES.

Public Infrastructure District No. 3

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 8; THENCE NORTH A DISTANCE OF 127.36 FEET; THENCE WEST A DISTANCE OF 1395.80 FEET TO THE TRUE POINT OF BEGINNING;

THENCE N.00°28'42"E. A DISTANCE OF 300.00 FEET; THENCE S.89°31'18"E. A DISTANCE OF 290.40 FEET; THENCE S.00°28'42"W. A DISTANCE OF 300.00 FEET; THENCE N.89°31'18"W. A DISTANCE OF 290.40 FEET TO THE POINT OF BEGINNING.
CONTAINING 2.00 ACRES.

Public Infrastructure District No. 4

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 8; THENCE NORTH A DISTANCE OF 122.51 FEET; THENCE WEST A DISTANCE OF 824.17 FEET TO THE TRUE POINT OF BEGINNING;

THENCE N.8931'23"W. A DISTANCE OF 51.49 FEET; THENCE N.89°31'18"W. A DISTANCE OF 238.92 FEET; THENCE N.00°28'42"E. A DISTANCE OF 300.00 FEET; THENCE S.89°31'18"E. A DISTANCE OF 238.92 FEET; THENCE S.89°31'22"E. A DISTANCE OF 51.48 FEET; THENCE S.00°28'42"W. A DISTANCE OF 300.00 FEET TO THE POINT OF BEGINNING.
CONTAINING 2.00 ACRES.

Public Infrastructure District No. 5

A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 8; THENCE NORTH A DISTANCE OF 122.51 FEET; THENCE WEST A DISTANCE OF 824.17 FEET TO THE TRUE POINT OF BEGINNING;

THENCE N.00°28'42"E. A DISTANCE OF 300.00 FEET; THENCE S.89°31'18"E. A DISTANCE OF 290.40 FEET; THENCE S.00°28'42"W. A DISTANCE OF 300.00 FEET; THENCE N.89°31'18"W. A DISTANCE OF 290.40 FEET TO THE POINT OF BEGINNING. CONTAINING 2.00 ACRES.

EXHIBIT B

Initial Districts' Boundaries Maps and Annexation Area Boundary Map

EXHIBIT C

Estimated Public Improvement Costs

Exhibit B

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City East Public Infrastructure District No. 1 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY EAST PUBLIC
INFRASTRUCTURE DISTRICT NO. 1

By: ____________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City East Public Infrastructure District No. 2 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY EAST PUBLIC
INFRASTRUCTURE DISTRICT NO. 2

By: ___________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City East Public Infrastructure District No. 3 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY EAST PUBLIC
INFRASTRUCTURE DISTRICT NO. 3

By: ____________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City East Public Infrastructure District No. 4 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY EAST PUBLIC
INFRASTRUCTURE DISTRICT NO. 4

By: ____________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City East Public Infrastructure District No. 5 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY EAST PUBLIC
INFRASTRUCTURE DISTRICT NO. 5

By: ___________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

APPENDIX A

Parcel 1

Geneva Nitrogen

Serial Number: 17:022:0006 Legal Description: COM S 424.05 FT & W 883.28 FT FR E1/4 COR SEC 5, T6S, R2E, SLM; S 7 DEG 46'32"E 2796.57 FT; S 82 DEG 30'21"W 147.14 FT; N 7 DEG 57'36"W 35.24 FT; S 82 DEG 13'39"W 108.33 FT; N 11 DEG 59'48"W 25.69 FT; N 14 DEG 56'37"W 283.94 FT; S 83 DEG 36'20"W 29.09 FT; N 20 DEG 34'54"W 280.71 FT; N 14 DEG 56'19"W 1448.27 FT; N 8 DEG 15'56"W 136.96 FT; N 7 DEG 27'14"W

69.61 FT; N 82 DEG 14'36"E 53.65 FT; N 3 DEG 18'46"W 106.60 FT; N 10 DEG 55'05"E 92.03 FT; N 25 DEG 14'35"E 120.70 FT; N 40 DEG 54'42"E 377.48 FT; N 86 DEG 07'56"E 125.13 FT TO BEG. AREA

27.36 ACRES.

Parcel 2

Anderson Geneva Property

Serial Number: 17:019:0047

Acreage: 331.114037

Legal Description: COM S 20.61 FT & E 2080 FT FR W 1/4 COR. SEC. 5, T6S, R2E, SLB&M.; S 0 DEG 20' 45" E 393.4 FT; N 89 DEG 58' 6" E 460.11 FT; S 0 DEG 1' 54" E 577.09 FT; N 89 DEG 59' 2" E 52.98 FT; ALONG A CURVE TO L (CHORD BEARS: S 3 DEG 55' 19" E 131.19 FT, RADIUS = 962.97 FT); S 7 DEG 49' 40" E 1116.19 FT; N 82 DEG 10' 20" E 854.71 FT; N 81 DEG 38' 8" E 596.54 FT; S 14 DEG 56' 19" E 598.99 FT; S 20 DEG 34' 54" E 280.7 FT; N 83 DEG 36' 15" E 29.09 FT; S 14 DEG 56' 37" E 283.93 FT; S 11 DEG 59' 44" E 25.69 FT; N 82 DEG 13' 40" E 108.33 FT; S 7 DEG 57' 37" E 35.24 FT; N 82 DEG 30' 21" E 149.03 FT; S 7 DEG 47' 31" E 160.02 FT; S 82 DEG 11' 4" W 42.37 FT; N 7 DEG 48' 57" W 99.4 FT; S 82 DEG 11' 4" W 40.44 FT; N 7 DEG 49' 57" W .38 FT; S 82 DEG 11' 3" W 100 FT; S 7 DEG 48' 53" E 100 FT; N 82 DEG 11' 5" E 182.8 FT; S 7 DEG 47' 29" E 1708.18 FT; S 82 DEG 11' 8" W 41.65 FT; N 7 DEG 48' 57" W 99.4 FT; S 82 DEG 11' 4" W 40.39 FT; N 7 DEG 50' 3" W .37 FT; S 82 DEG 11' 5" W 100 FT; S 7 DEG 48' 58" E 100 FT; N 82 DEG 11' 6" E 182.05 FT; S 7 DEG 47' 30" E 148.27 FT; N 89 DEG 31' 18" W 1297.89 FT; ALONG A CURVE TO L (CHORD BEARS: S 88 DEG 31' 20" W 550.91 FT, RADIUS = 7960.42 FT); N 47 DEG 15' 28" W 113.97 FT; S 82 DEG 0' 1" W 72.78 FT; N 8 DEG 0' 0" W 355.88 FT; ALONG A CURVE TO L (CHORD BEARS: N 12 DEG 30' 0" W 313.84 FT, RADIUS = 2009 FT); N 17 DEG 0' 0" W 143.33 FT; ALONG A CURVE TO R (CHORD BEARS: N 8 DEG 0' 0" W 312.87 FT, RADIUS = 1000.13 FT); N 1 DEG 0' 0" E 370.69 FT; ALONG A CURVE TO

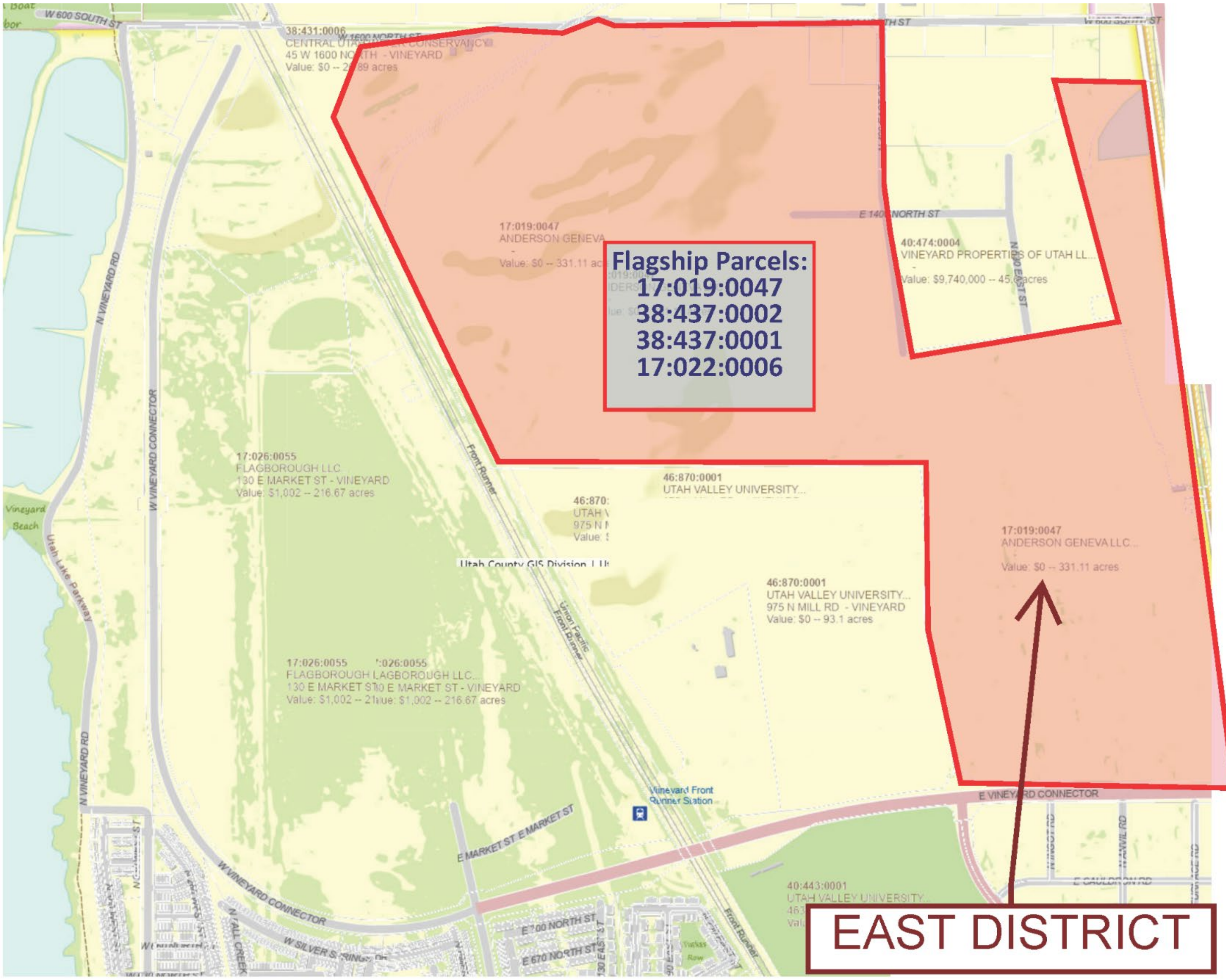
L (CHORD BEARS: N 3 DEG 24' 50" W 307.84 FT, RADIUS = 2015.55 FT); N 7 DEG 49' 40" W 310.49 FT; S 89 DEG 39' 23" W 2853.38 FT; N 27 DEG 15' 52" W 363.14 FT; N 16 DEG 55' 21" W 50.77 FT; ALONG A CURVE TO L (CHORD BEARS: N 20 DEG 6' 9" W 87.59 FT, RADIUS = 789.49 FT); N 23 DEG 16' 49" W 263.37 FT; ALONG A CURVE TO L (CHORD BEARS: N 25 DEG 11' 29" W 53.6 FT, RADIUS = 804.51 FT); N 27 DEG 6' 2" W 657.87 FT; ALONG A CURVE TO R (CHORD BEARS: N 13 DEG 37' 20" E 964.89 FT, RADIUS = 739.49 FT); N 54 DEG 14' 6" E 720.29 FT; ALONG A CURVE TO L (CHORD BEARS: N 51 DEG 3' 2" E 87.59 FT, RADIUS = 789.49 FT); N 47 DEG 52' 15" E 91.55 FT; N 54 DEG 13' 50" E 334.34 FT; N 89 DEG 38' 50" E 11.55 FT; ALONG A CURVE TO L (CHORD BEARS: N 74 DEG 1' 0" E 53.89 FT, RADIUS = 100.32 FT); ALONG A CURVE TO R (CHORD BEARS: N 64 DEG 42' 55" E 21.94 FT, RADIUS = 100.34 FT); ALONG A CURVE TO R (CHORD BEARS: S 83 DEG 49' 7" E 169.27 FT, RADIUS = 957 FT); ALONG A CURVE TO L (CHORD BEARS: S 82 DEG 40' 12" E 143.47 FT, RADIUS = 1048 FT); ALONG A CURVE TO R (CHORD BEARS: N 14 DEG 9' 18" E 45.12 FT, RADIUS = 68 FT); N 89 DEG 39' 16" E 4.85 FT; ALONG A CURVE TO L (CHORD BEARS: S 61 DEG 2' 7" E 131.72 FT, RADIUS = 66 FT); ALONG A CURVE TO R (CHORD BEARS: N 57 DEG 21' 51" E 53.34 FT, RADIUS = 50.01 FT); N 89 DEG 39' 15" E 956.11 FT TO BEG. AREA 331.114 AC.

Parcel 3

LOT 1, EASTLAKE AT GENEVA INDUSTRIAL BUSINESS PARK, PHASE 4 SUB AREA 2.065 AC.

Parcel 4

LOT 2, EASTLAKE AT GENEVA INDUSTRIAL BUSINESS PARK, PHASE 4 SUB AREA 2.096 AC.


Flagship Parcels:
17:019:0047
38:437:0002
38:437:0001
17:022:0006
EAST DISTRICT
17:019:0047
ANDERSON GENEVA LLC...
Value: $0 -- 331.11 acres
40:474:0004
VINEYARD PROPERTIES OF UTAH LL...
46:870:0001
UTAH VALLEY UNIVERSITY...
975 N MILL RD - VINEYARD
Value: $0 -- 93.1 acres
17:026:0055
FLAGBOROUGH LLC
130 E MARKET ST - VINEYARD
Value: $1,002 -- 216.67 acres
40:443:0001
UTAH VALLEY UNIVERSITY...
E 1400 NORTH ST
E VINEYARD CONNECTOR
W VINEYARD CONNECTOR
N VINEYARD RD
E MARKET ST
Front Runner
Vineyard Front Runner Station
Utah Lake Parkway
Vineyard Beach
W 600 SOUTH ST
Utah County GIS Division

VINEYARD
STAY CONNECTED

VINEYARD CITY COUNCIL STAFF REPORT

Meeting Date: December 13, 2023

Agenda Item: 4.3 West District: The Creation of Public Infrastructure District (Resolution 2023-59)

Department: Administration

Presenter: Jayme Blakesley

Background/Discussion: Public Infrastructure Districts – Downtown – West District

This item will establish and adopt the governing documents for a Public Infrastructure District area West in the Vineyard Downtown Development. This structure allows for the development of necessary infrastructure in the project areas without burdening the city with those expenses.

Fiscal Impact:

Public Infrastructure District (PID) are specialized local-governmental entities established to finance and manage public infrastructure projects. Here is a summary of their key feature:

- A PID is an independent unit of local government established jointly by a city and the landowner/developer of the PID area;
- The construction of public infrastructure within a PID is funded either partially or entirely by a property tax levy or assessments to the property owners within the PID. This additional tax is a separate line item on a property owner's annual property tax assessment and is used to repay bond obligations.
- The primary role of a PID is to finance the construction of public improvements for the benefit of all residents and taxpayers of the district.
- PIDs are not created to provide ongoing operations and maintenance services. Once the public infrastructure is built, the PIDs role is typically concluded.

Recommendation:

Staff recommends the creation of a PID for the West District of the Vineyard Downtown Development as per the attached map.

Sample Motion:

"I move to adopt resolution 2023-59, approving the creation of a Public Infrastructure District for the West District of the Vineyard Downtown Development."

VINEYARD CITY COUNCIL STAFF REPORT

Attachments:
Resolution 2023-59

RESOLUTION NO. 2023-59

A RESOLUTION OF THE VINEYARD CITY COUNCIL PROVIDING FOR THE CREATION OF THE UTAH CITY WEST PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-5 (COLLECTIVELY, THE “DISTRICTS”) AS INDEPENDENT DISTRICTS; AUTHORIZING AND APPROVING A GOVERNING DOCUMENT; APPOINTING BOARDS 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 Public Infrastructure Districts pursuant to the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953, as amended (the “PID Act”) and relevant portions of the Limited Purpose Local Government Entities – Special Districts, Title 17B (together with the PID Act, the “Act”) within the City and approve the withdrawal of any portion of the boundaries of the Districts therefrom without further approval or hearings of the City or the Council, as further described in the Governing Document (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 Districts (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 Districts be authorized in the manner and for the purposes hereinafter set forth; and

WHEREAS, the City, prior to consideration of this Resolution, held public hearings after 6:00 p.m. to receive input from the public regarding the creation of the Districts and the Property Owners have waived the 60-day protest period pursuant to Section 17D-4-201 of the PID Act; and

WHEREAS, the hearing on the Petition was held at the City Hall because there is no reasonable place to hold a public hearing within the Districts’ boundaries, and the hearing at the City Hall was held as close to the applicable area as reasonably possible; and

WHEREAS, the City properly published notice of the public hearing in compliance with Section 17B-1-211(1) of the Act; and

WHEREAS, none of the Property Owners submitted a withdrawal of consent to the creation of the Districts before the public hearing on the Petition; and

WHEREAS, according to attestations filed with the City, each board member appointed under this Resolution is registered to vote at their primary residence and is further eligible to serve as a board member of the Districts under Section 17D-4-202(c) of the PID Act because they are agents of property owners within the Districts' boundaries (as further set forth in the Petition); and

WHEREAS, it is necessary to authorize the creation of the Districts 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 Districts shall be in accordance with the PID Act and the terms of a governing document (the "Governing Document") attached hereto as Exhibit A; and

WHEREAS, pursuant to the requirements of the Act, there shall be signed, authenticated, and submitted to the Office of the Lieutenant Governor of the State of Utah for each of the Districts a Notices of Boundary Action attached hereto as Exhibit B (the "Boundary Notices") and Final Entity Plat attached to each as Boundary Notices Appendix B (or as shall be finalized in accordance with the boundaries approved hereunder) (the "Plat").

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF VINEYARD, UTAH AS FOLLOWS:

Section 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 Districts, are hereby ratified, approved and confirmed.

Section 2. The Districts are hereby created as separate entities from the City in accordance with the Governing Document and the Act. The boundaries of the Districts shall be as set forth in the Governing Document and the Plat.

Section 3. Pursuant to the terms of the PID Act, the Council does hereby approve the annexation or withdrawal of any area within the Annexation Area (as defined in the Governing Document) into or from the Districts, as applicable, 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.

Section 4. The Council does hereby authorize the Districts to provide services relating to the financing and construction of public infrastructure within the Annexation Area upon annexation thereof into the Districts without further request of the Districts 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.

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

Section 6. The Governing Document in the form presented to this meeting and attached hereto as Exhibit A is hereby authorized and approved and the Districts shall be governed by the terms thereof and applicable law.

Section 7. The Trustees of each Board of the Districts shall be initially composed of the same members. The initial Boards of the Districts are hereby appointed as follows:

(a) Trustee 1 – Nate Hutchinson, for an initial 6-year term;

(b) Trustee 2 – Peter Evans, for an initial 6-year term

(c) Trustee 3 – McKinnon Woodbury, for an initial 4-year term;

(d) Trustee 4 – Curtis Woodbury, for an initial 4-year term; and

(e) Trustee 5 – Scott Bishop, for an initial 4-year term;

(f) 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.

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

Section 9. Prior to recordation of a certificates of creation for all Districts, the Council does hereby authorize the Mayor, a Council Member, the City Attorney, or the City Manager to make any corrections, deletions, or additions to the Governing Document, and the Boundary Notices 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.

Section 10. The Boards of Trustees of the Districts (the “District Boards”) are hereby authorized and directed to record such Governing Document with the recorder of Vineyard City within 30 days of the issuance of the Certificate of Creation by the Office of the Lieutenant Governor of the State of Utah.

Section 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.

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

Section 13. This resolution shall take effect immediately.

Passed and dated this 27th day of December 2023.

____
Julie Fullmer, Mayor

Attest:

____
Pamela Spencer, City Recorder

Exhibit A

Governing Document

GOVERNING DOCUMENT

FOR

UTAH CITY WEST PUBLIC INFRASTRUCTURE DISTRICT NOS. 1-5

VINEYARD, UTAH

Prepared By:

WBA
WHITE BEAR ANKELE
TANAKA & WALDRON
ATTORNEYS AT LAW

2154 East Commons Avenue, Suite 2000
Centennial, Colorado 80122
(303) 858-1800

APPROVED ON DECEMBER 27, 2023

LIST OF EXHIBITS

I. INTRODUCTION

A. Purpose and Intent. The Districts are independent units 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, their 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 Districts will provide a part or all of the Public Improvements for the use and benefit of all anticipated inhabitants and taxpayers of the Districts. The primary purpose of the Districts will be to finance the construction of these Public Improvements.

B. Objective of the City Regarding Districts' Governing Document. The City's objective in approving the Governing Document for the Districts is to authorize the Districts 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 Districts. All Debt is expected to be repaid by 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 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 Districts 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 by agreement with the City by amending this Governing Document or through an Interlocal Agreement, and as provided through a relevant public entity or by the Districts if statutory changes occur subsequent to approval of this Governing Document that allow the Districts to directly provide for operational activities.

It is the intent of the Districts 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, and if the Districts has authorized operating functions, to retain only the power necessary to impose and collect taxes or Fees to pay for these costs.

C. Limitation on Applicability. This Governing Document is not intended to and does not create any rights or remedies in favor of any party other than the City. Failure of the Districts to comply with any terms or conditions of this Governing Document shall not relieve any party of an obligation to the Districts or create a basis for a party to challenge the incorporation or operation of the Districts, or any Debt issued by the Districts.

II. DEFINITIONS

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

Annexation Area: means the property shown in **Exhibit B**.

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

Board: means the Board of Trustees of a District.

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

City: means Vineyard, Utah.

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

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

District: means the Utah City Public Infrastructure Districts.

Districts: means two or more Utah City West Public Infrastructure Districts.

Districts' Area: means the Qualified Property within the boundaries depicted in the Initial Districts' Boundary Maps and the Annexation Area Boundary Map.

Fees: means any fee imposed by any District for administrative or operational services provided by such District.

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

Governing Document: means this Governing Document for the Districts 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 Boards in accordance with applicable state law.

Initial Districts' Boundaries: means the boundaries of the Districts described in the Initial Districts' Boundaries Map.

Initial Districts' Boundaries Map: means the map(s) attached hereto as **Exhibit B**, describing the initial boundaries of the Districts.

Limited Tax Debt: means a debt that is directly payable from and secured by ad valorem property taxes that are levied by the Districts which may not exceed the Maximum Debt Mill Levy.

Local Districts Act: means Title 17B of the Utah Code, as amended from time to time.

Maximum Debt Mill Levy: means the maximum mill levy the Districts are permitted to impose for payment of Debt as set forth in Section VI.C below.

Municipal Advisor: means a consultant that: (i) advises Utah governmental entities on matters relating to the issuance of securities by Utah governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an 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 Districts and has not been otherwise engaged to provide services in connection with the transaction related to the applicable Debt.

Net Proceeds: means the gross proceeds of the sale of bonds, less any of the following: (1) amounts applied or to be applied to pay transaction and administrative expenses, including underwriting discount, (2) amounts to pay cost of issuance, and (3) amounts to pay capitalized interest and to fund any reserves deemed necessary or appropriate by the Districts, not including any investment earnings realized thereon.

Project: means the development or property known as Utah City.

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 and inhabitants of the Districts' Area as determined by the Board.

Qualified Property: means all commercial property, including all multi-family residential property. The term "Qualified Property" excludes all residential units that are developed for sale to individual buyers and are owner-occupied.

State: means the State of Utah.

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

Trustee: means a member of a Board.

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

III. BOUNDARIES

The combined area of the Initial Districts' Boundaries and the Annexation Area includes approximately 292 acres. A legal description of the Initial Districts' Boundaries is attached hereto as **Exhibit A**. It is anticipated that the Districts' boundaries may change from time to time as they undergo annexations and withdrawals pursuant to Section 17B-4-201, Utah Code, subject to Article V below. The project is expected to consist of approximately 191 acres of residential property, 28 acres of commercial property and 73 acres of civic/open space and parks.

IV. BENEFITS OF DISTRICTS

The Districts anticipate providing many benefits to the City and surrounding areas including: storm drainage improvements, a potable water system, sanitary sewer improvements, streets, sidewalks, landscaping and irrigation improvements, traffic and street lighting improvements, public parking facilities, public parks and a public trail system.

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the Districts and Governing Document Amendment. The Districts shall have the power and authority to provide the Public Improvements within and without the boundaries of the Districts as such power and authority is described in the PID Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein. The estimated cost of the public improvements are set for in **Exhibit C**.

B. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. Where required, the Districts shall dedicate the Public Improvements to the City or other appropriate public entity in a manner consistent with the rules, regulations and City Code of the City or consistent with the applicable rules and regulations of another public entity. The Districts 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, including, but not limited to street improvements (including roads, curbs, gutters, culverts, sidewalks, bridges, parking facilities, paving, lighting, grading, landscaping, and other street improvements), traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements (including detention and retention ponds, trickle channels, and other drainage facilities), irrigation system improvements (including wells, pumps, storage facilities, and distribution facilities), and all necessary equipment and appurtenances incident thereto.

C. Construction Standards Limitation. Pursuant to Section 17D-4-204(3)(a)(ii), Utah Code, to the extent the Districts construct any Public Improvements, they will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the City, as are duly enacted by ordinance or established by a development agreement between a developer and the City, and of other governmental entities having proper jurisdiction. The Districts will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Land easements, or improvements to be conveyed or dedicated to the City and any other local government entity shall be conveyed in accordance with the related standards at no cost to the City. All public infrastructure within the Districts, which will be connected to and owned by another public entity, shall be subject to all design and inspection requirements and other standards of such public entity. The Districts shall be subject to City zoning, subdivision, building codes, and all other applicable City ordinances and regulations. Approval of the Governing Document shall not bind the City to approve other matters which the Districts or developer may request. The Districts shall pay all fees and expenses as provided in the Governing Document.

The Districts shall be subject to the State of Utah's procurement statutes and regulations. At a minimum, the acquisition of completed or partially completed improvements shall be for fair market value, as reasonably determined by a surveyor or engineer.

D. Annexation and Withdrawal.

(a) The City, by approval of this Governing Document, has consented to the annexation of any area within the Districts' Area into any District. Such area may only be annexed after 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 of the District approving the annexation. The Districts shall not annex within their boundaries any property outside the Districts' Area without the prior written consent of the City.

(b) The City, by approval of this Governing Document, has consented to the withdrawal from the Districts of any property within the Districts' Area. Such area may only be withdrawn from the District after 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 of the District approving the withdrawal.

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

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

(e) Annexation or withdrawal of any area in accordance with this section shall not constitute an amendment of this Governing Document.

E. Governing Document Amendment Requirement. This Governing Document has been designed with sufficient flexibility to enable the Districts to provide required facilities under evolving circumstances without the need for numerous amendments. Subject to the limitations and exceptions contained herein, this Governing Document may be amended by passage of a resolution of the City and the applicable Districts approving such amendment.

F. Total Debt Issuance Limitation. The Districts shall not issue Debt in excess of an aggregate amount of One Billion Dollars ($1,000,000,000). This amount excludes any portion of bonds issued to refund a prior issuance of debt by the Districts.

G. Bankruptcy Limitation. All of the limitations contained in this Governing Document, including, but not limited to, those pertaining to the Maximum Debt Mill Levy, 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 non-bankruptcy 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, 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. Alternative District Types. If it is determined, in the sole discretion of the Board of any District, that the particular District is not adequately serving the project, the Board may convert or replace the District with an alternative type of local district, special service district or other statutorily created governmental entity whether in existence at the time of approval of this Governing Document or established subsequent to the approval of this Governing Document. At the direction of a Board, any District may, in accordance with applicable law and after obtaining consent from the City, be converted from a public infrastructure district to an alternative governmental entity.

H. Multiple District Structure. It is anticipated that the Districts, collectively, will undertake the financing and construction of the Public Improvements. The nature of the functions and services to be provided by each District may be clarified in an interlocal agreement between and among one or more of the Districts. All such agreements will be designed to help assure the orderly development of the Public Improvements and essential services in accordance with the requirements of this Governing Document.

VI. THE BOARD OF TRUSTEES

A. Board Composition. The Board shall be composed of five (5) Trustees, who shall be appointed by the City Council pursuant to the PID Act. All Trustees shall be at large seats. Trustee terms for each District shall be staggered with initial terms as follows: Trustees 3, 4, and 5 shall serve an initial term of 4 years; Trustees 1 and 2 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 such District. Upon any annexation or withdrawal in accordance with this Governing Document, any affected District may adjust its anticipated residential certificates of occupancy to reflect such boundary change.

B. Appointments and Vacancies. Any change in the composition of a Board's membership, including filling a vacancy, shall be approved by the City. The appointed Trustee shall meet all qualifying and eligibility requirements set forth in Section 17D-4-202, Utah Code.

VII. FINANCIAL PLAN

A. General.

The Districts shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from their revenues and by and through the proceeds of Debt to be issued by the Districts.

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. The maximum term for the bonds will be 40 years, not including refundings.

C. Maximum Debt Mill Levy.

(a) The "Maximum Debt Mill Levy" shall be the maximum mill levy the Districts are permitted to impose upon the taxable property within such Districts for payment of Limited Tax Debt shall be $0.015 per dollar of taxable value of taxable property in such District; provided that such levy shall be subject to adjustment as provided in Section 17D-4-301(8), Utah Code. The Districts may only impose a mill levy against the Qualified Property.

(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. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the Districts 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 Districts authorizing the issuance of this Bond and in the Governing Document for creation of the Districts.

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 Districts.

E. Security for Debt.

The Districts shall not pledge as security any land, assets, funds, revenue or property of the City, or property to be conveyed to the City, as security for the indebtedness set forth in this Governing Document. Approval of this Governing Document shall not be construed as a guarantee by the City of payment of any of the Districts' 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 Districts in the payment of any such obligation. All debt issued by the Districts for which a tax is pledged to pay the debt service shall meet the requirements of all applicable statutes.

F. Bond and Disclosure Counsel; Municipal Advisor.

It is the intent of the City that the Districts shall use competent and nationally recognized bond counsel, disclosure counsel and a Municipal Advisor with respect to the Districts' Bonds to ensure proper issuance and compliance with this Governing Document. The forgoing requirement may be waived by written agreement by the City.

VIII. QUARTERLY REPORT

A. General. In addition to all reporting requirements required by state law, the Districts shall be responsible for submitting a quarterly report (or less frequently if agreed to by the City and the Districts) to the City Recorder's Office no later than 30 days following the end of each quarter for the Districts' fiscal year, beginning with fiscal year 2024.

B. Reporting of Significant Events. The annual report shall include information as to any of the following:

1. Names and terms of Board members and officers;

2. Districts' office contact information, if changed;

3. A summary of any litigation which involves the Districts as of the last day of the prior fiscal year, if any;

4. A summary of the total debt authorized and total debt issued by the Districts as well as any presently planned debt issuances;

5. Notice of any uncured events of default by the Districts, which continue beyond a ninety (90) day period, under any Debt instrument; and

6. Any inability of the Districts to pay its obligations as they come due, in accordance with the terms of such obligations, which continue beyond a ninety (90) day period.

C. Notice of Action. If state law requires that the Districts provide public notice prior to taking any action, the Districts shall provide the City with notice of such potential action at least seven (7) days prior to the date the Districts are required to provide public notice under state law.

IX. DISSOLUTION

Upon an independent determination of the City Council that the purposes for which the District were created have been accomplished, the Districts agree to file petitions for dissolution, pursuant to the applicable State statutes. In no event shall a dissolution occur until such Districts have provided for the payment or discharge of all of their outstanding indebtedness and other financial obligations as required pursuant to State statutes.

X. DISCLOSURE TO PURCHASERS

Within thirty (30) days of the Office of the Lieutenant Governor of the State of Utah issuing a certificate of creation for the Districts, the Board shall record a notice with the recorder of Utah

County and provide a copy of the notice to the City. Such notice shall (a) contain a description of the boundaries and annexation area of the Districts, (b) state that a copy of this Governing Document is on file at the office of the City, (c) if applicable, state that the debt may convert to general obligation debt and outlining the provisions relating to conversion, and state that the Districts may finance and repay infrastructure and other improvements through the levy of a property tax; (d) state the maximum rate the Districts may levy; (e) provide notice that a mil levy may be imposed only against Qualified Property; and (f) include the substantially the following language in bold:

"Under the maximum property tax rate of the Districts, a primary residence valued at $[insert average anticipated residential property value] would have an additional annual property tax of $______ for the duration of the Districts' Bonds. A business property valued at $[insert average anticipated commercial property value] would have an additional annual property tax of $_______ for the duration of the Districts' Bonds."

Failure to provide any disclosures required by this Section shall not relieve any property owner of the obligation to pay taxes imposed by the Districts.

XI. ENFORCEMENT.

In accordance with Section 17D-4-201(5) of the Utah Code, the City may impose limitations on the powers of the Districts through this Governing Document. The City shall have the right to enforce any of the provision, limitations or restrictions in this Governing Document against the Districts, through any and all legal or equitable means available to the City, including, but not limited to, injunctive relief.

EXHIBIT A

Legal Descriptions

Public Infrastructure District No. 1

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 231.42 FEET; THENCE WEST A DISTANCE OF 1618.51 FEET TO THE TRUE POINT OF BEGINNING;

THENCE S.27°15'52"E. A DISTANCE OF 469.46 FEET; THENCE WEST A DISTANCE OF 418.38 FEET; THENCE N.39°12'01"E. A DISTANCE OF 3.36 FEET; THENCE N.25°52'51"E. A DISTANCE OF 460.93 TO THE POINT OF BEGINNING.
CONTAINING 2.00 ACRES.

Public Infrastructure District No. 2

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 648.72 FEET; THENCE WEST A DISTANCE OF 1612.64 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH A DISTANCE OF 272.12 FEET; THENCE WEST A DISTANCE OF 431.13 FEET; THENCE N.39°12'01"E. A DISTANCE OF 351.15 FEET; THENCE EAST A DISTANCE OF 209.19 FEET TO THE POINT OF BEGINNING.
CONTAINING 2.00 ACRES.

Public Infrastructure District No. 3

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 648.72 FEET; THENCE WEST A DISTANCE OF 1612.64 FEET TO THE TRUE POINT OF BEGINNING;

THENCE EAST A DISTANCE OF 209.19 FEET; THENCE S.27°15'52"E. A DISTANCE OF 377.77 FEET; THENCE N.80°32'30"W. A DISTANCE OF 387.51 FEET; THENCE NORTH A DISTANCE OF 272.12 FEET THE POINT OF BEGINNING.

CONTAINING 2.00 ACRES.

Public Infrastructure District No. 4

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 920.85 FEET; THENCE WEST A DISTANCE OF 1612.64 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH A DISTANCE OF 181.66 FEET; THENCE WEST A DISTANCE OF 511.19 FEET TO A POINT OF CURVATURE OF A 3447.50-FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 146.11 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 02°25'42" AND A CHORD THAT BEARS N.18°01'37"E. A DISTANCE OF 146.10 FEET; THENCE N.39°12'01"E. A DISTANCE OF 55.14 FEET; THENCE EAST A DISTANCE OF 431.13 FEET TO THE POINT OF BEGINNING.
CONTAINING 2.00 ACRES.

Public Infrastructure District No. 5

A PARCEL OF LAND LOCATED IN THE SOUTH EAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE & MERIDIAN VINEYARD, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 920.85 FEET; THENCE WEST A DISTANCE OF 1612.64 FEET TO THE TRUE POINT OF BEGINNING;

THENCE S.80°32'30"E. A DISTANCE OF 387.51 FEET; THENCE S.27°15'53"E. A DISTANCE OF 266.15 FEET; THENCE N.76°45'42"W. A DISTANCE OF 517.93 FEET; THENCE NORTH A DISTANCE OF 181.66 FEET TO THE POINT OF BEGINNING.
CONTAINING 2.00 ACRES.

EXHIBIT B

Initial Districts' Boundaries Maps and Annexation Area Boundary Map

EXHIBIT C

Estimated Public Improvement Costs

Exhibit B

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City West Public Infrastructure District No. 1 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY WEST PUBLIC
INFRASTRUCTURE DISTRICT NO. 1

By: ____________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City West Public Infrastructure District No. 2 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY WEST PUBLIC
INFRASTRUCTURE DISTRICT NO. 2

By: ___________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City West Public Infrastructure District No. 3 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY WEST PUBLIC
INFRASTRUCTURE DISTRICT NO. 3

By: ___________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City West Public Infrastructure District No. 4 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY WEST PUBLIC
INFRASTRUCTURE DISTRICT NO. 4

By: ___________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

NOTICE OF IMPENDING BOUNDARY ACTION

TO: The Lieutenant Governor, State of Utah

NOTICE IS HEREBY GIVEN that the City Council of Vineyard City, Utah (the "Council"), acting in its capacity as the creating entity for the Utah City West Public Infrastructure District No. 5 (the "District"), at a special meeting of the Council, duly convened pursuant to notice, on December __, 2023, adopted a Resolution Providing for the Creation of Public Infrastructure Districts, a true and correct copy of which is attached as APPENDIX "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 Vineyard City, Utah, is attached as APPENDIX "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 upon annexation of the subject property into the boundaries of the City.

Dated this ___ day of December, 2023.

CITY COUNCIL OF VINEYARD CITY, UTAH,
acting in its capacity as the creating authority for
the UTAH CITY WEST PUBLIC
INFRASTRUCTURE DISTRICT NO. 5

By: ___________________________
Authorized Representative

VERIFICATION

STATE OF UTAH)
:ss.
COUNTY OF UTAH)

SUBSCRIBED AND SWORN to before me this ___ day of December, 2023.

____
Notary Public

APPENDIX A

PARCEL 1

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF SECTION 7, AND THE NORTHWEST QUARTER AND THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SLB&M, VINEYARD, UTAH SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 2194.01 FEET; THENCE WEST A DISTANCE OF 607.08 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE UNION PACIFIC RAILROAD, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING, AND RUNNING THENCE SOUTH 27°15’52”EAST A DISTANCE OF 1662.34 FEET ALONG SAID WESTERLY RAILROAD RIGHT OF WAY; THENCE SOUTH 24°21’37” EAST A DISTANCE OF 600.54 FEET ALONG SAID WESTERLY RAILROAD RIGHT OF WAY; THENCE SOUTH 30°17’44” EAST A DISTANCE OF 1519.89 FEET ALONG SAID WESTERLY RAILROAD RIGHT OF WAY TO A POINT ON THE NORTHERLY RIGHT OF WAY OF THE VINEYARD CONNECTOR ROAD; THENCE THE FOLLOWING TWENTY (20) COURSES ALONG SAID NORTHERLY ROAD RIGHT OF WAY; (1) THENCE SOUTH 80°36’52” WEST A DISTANCE OF 443.72 FEET; (2) THENCE SOUTH 74°24’40” WEST A DISTANCE OF 200.00 FEET; (3) THENCE SOUTH 70°03’10”WEST A DISTANCE OF 657.94 FEET; (4) THENCE NORTH 85°31’26” WEST A DISTANCE OF 44.58 FEET; (5) THENCE SOUTH 79°57’25” WEST A DISTANCE OF 101.37 FEET; (6) THENCE SOUTH 20°11’16” WEST A DISTANCE OF 77.15 FEET; (7) THENCE SOUTH 74°24’40” WEST A DISTANCE OF 190.81 FEET TO A POINT OF CURVATURE OF A 1447.50-FOOT RADIUS TANGENT CURVE TO THE RIGHT; (8) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 1939.01 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 76°45’04” AND A CHORD THAT BEARS NORTH 67°12’48” WEST A DISTANCE OF 1797.25 FEET; (9) THENCE NORTH 10°50’58” WEST A DISTANCE OF 33.53 FEET; (10) THENCE NORTH 26°42’04” WEST A DISTANCE OF 43.55 FEET; (11) THENCE NORTH 49°42’09” WEST A DISTANCE OF 24.28 FEET TO A POINT OF CURVATURE OF A 1447.50-FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT; (12) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 630.37 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 24°57’06” AND A CHORD THAT BEARS NORTH 12°28’33” WEST A DISTANCE OF 625.40 FEET; (13) THENCE NORTH A DISTANCE OF 1273.27 FEET TO A POINT OF CURVATURE OF A 43.00-FOOT RADIUS TANGENT CURVE TO THE RIGHT; (14) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 67.54 FEET, SAID CURVE HAVING CENTRAL ANGLE OF 90°00’00” AND A CORD THAT BEARS NORTH 45°00’00” EAST A DISTANCE OF 60.81 FEET; (15) THENCE EAST A DISTANCE OF 5.00 FEET; (16) THENCE NORTH A DISTANCE OF 105.00 FEET; (17) THENCE WEST A DISTANCE OF 9.00 FEET TO A POINT OF CURVATURE OF A 39.00-FOOT RADIUS TANGENT CURVE TO THE RIGHT; (18) THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 61.25 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 90°00’00”

AND A CHORD THAT BEARS NORTH 45°00’00” WEST A DISTANCE OF 55.15 FEET; (19) THENCE NORTH A DISTANCE OF 1065.34 FEET TO A POINT OF CURVATURE OF A 3447.50-FOOT RADIUS TANGENT CURVE TO THE RIGHT; (20) THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 578.86 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 09°37’13” AND A CHORD THAT BEARS NORTH 04°48’37” EAST A DISTANCE OF 578.18 FEET; THENCE NORTH 81°32’42” EAST A DISTANCE OF 149.82 FEET; THENCE SOUTH 49°36’54” EAST A DISTANCE OF 543.23 FEET; THENCE SOUTH A DISTANCE OF 521.76 FEET; THENCE EAST A DISTANCE OF 702.05 FEET; THENCE NORTH 62°44’08” EAST A DISTANCE OF 395.55 FEET TO THE POINT OF BEGINNING.

LESS AND EXCEPTING THE FOLLOWING:

CENTRAL UTAH WATER CONSERVANCY DISTRICT WELL PARCEL #2, ENTRY NO. 31523-2018 IN THE OFFICIAL RECORDS OF THE UTAH CONTY RECORDER’S OFFICE, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SLB&M, SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE WEST A DISTANCE OF 537.44 FEET; THENCE SOUTH A DISTANCE OF 2438.28 FEET TO THE REAL POINT OF BEGINNING; THENCE S.27°15'23"E. A DISTANCE OF 100.00 FEET; THENCE S.62°44'08"W. A DISTANCE OF 100.00 FEET; THENCE N.27°15'23"W. A DISTANCE OF 100.00 FEET; THENCE N.62°44'08"E. A DISTANCE OF 100.00 FEET TO THE POINT OF BEGINNING.

BASIS OF BEARING: UTAH STATE PLANE CENTRAL ZONE NAD 83

PARCEL 2

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SLB&M, VINEYARD, UTAH, BEING A PART OF LOTS 3 AND 4, GENEVA PARK WEST, A SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, RECORDED MARCH 14, 2013 AS ENTRY NO. 24721:2013, AS MAP NO. 13836, SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 1259.12 FEET; THENCE WEST A DISTANCE OF 2275.33 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE VINEYARD CONNECTOR ROAD, SAID POINT BEING A POINT OF CURVATURE OF A 3552.50-FOOT RADIUS NON- TANGENT CURVE TO THE LEFT, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING, AND RUNNING THENCE THE FOLLOWING TWELVE (12) COURSES ALONG SAID WESTERLY RIGHT OF WAY; (1) THENCE SOUTHWESTERLY ALONG

THE ARC OF SAID CURVE A DISTANCE OF 848.61 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 13°41'12" AND A CHORD THAT BEARS SOUTH 06°50'36" WEST A DISTANCE OF 846.60 FEET; (2) THENCE SOUTH A DISTANCE OF 1073.34 FEET TO A POINT OF CURVATURE OF A 43.00-FOOTRADIUS TANGENT CURVE TO THE RIGHT; (3) THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 67.54 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 90°00'00" AND A CHORD THAT BEARS SOUTH 45°00'00" WEST A DISTANCE OF 60.81 FEET; (4) THENCE WEST A DISTANCE OF 5.00 FEET; (5) THENCE SOUTH A DISTANCE OF 81.00 FEET; (6) THENCE EAST A DISTANCE OF 5.00 FEET TO A POINT OF CURVATURE OF A 43.00-FOOT RADIUS TANGENT CURVE TO THE RIGHT; (7) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 67.54 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 90°00'00" AND A CHORD THAT BEARS SOUTH 45°00'00" EAST A DISTANCE OF 60.81 FEET; (8) THENCE SOUTH A DISTANCE OF 1285.27 FEET TO A POINT OF CURVATURE OF A 1552.50-FOOT RADIUS TANGENT CURVE TO THE LEFT; (9) THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 681.71 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 25°09'32" AND A CHORD THAT BEARS SOUTH 12°34'46" EAST A DISTANCE OF 676.25 FEET; (10) THENCE SOUTH 00°51'18" WEST A DISTANCE OF 22.50 FEET; (11) THENCE SOUTH 26°42'04" EAST A DISTANCE OF 43.76 FEET; (12) SOUTH 48°55'21" EAST A DISTANCE OF 27.98 FEET; THENCE SOUTH 89°38'57" WEST A DISTANCE OF 556.95 FEET; THENCE NORTH 04°32'46" EAST A DISTANCE OF 1286.21 FEET; THENCE NORTH 08°52'57" WEST A DISTANCE OF 1042.47 FEET; THENCE NORTH 08°31'48" EAST A DISTANCE OF 351.11 FEET; THENCE NORTH 11°31'05" EAST A DISTANCE OF 1516.27 FEET; THENCE SOUTH 78°28'55" EAST A DISTANCE OF 177.87 FEET TO THE POINT OF BEGINNING.

PARCEL 3

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SLB&M, VINEYARD, UTAH, BEING A PART OF LOT 4, GENEVA PARK WEST, A SUBDIVISION, ACCORDING TO THE OFFICIAL PLAT THEREOF, RECORDED MARCH 14, 2013 AS ENTRY NO. 24721:2013, AS MAP NO. 13836, SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 1181.04 FEET; THENCE WEST A DISTANCE OF 2255.37 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE VINEYARD CONNECTOR ROAD, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING, AND RUNNING THENCE NORTH 78°28'55" WEST A DISTANCE OF 181.83 FEET; THENCE NORTH 11°31'05" EAST A DISTANCE OF
164.67 FEET; THENCE NORTH 04°54'22" WEST A DISTANCE OF 349.21 FEET; THENCE SOUTH 64°07'09" EAST A DISTANCE OF 341.02 FEET TO A POINT ON SAID WESTERLY RIGHT OF WAY, SAID POINT ALSO BEING A POINT OF CURVATURE OF A 3552.50-FOOT RADIUS NON-TANGENT CURVE TO THE LEFT; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 418.25 FEET ALONG SAID WESTERLY RIGHT OF WAY, SAID CURVE HAVING A CENTRAL ANGLE OF 06°44'44"

AND A CHORD THAT BEARS SOUTH 18°21'34" WEST A DISTANCE OF 418.01 FEET TO THE POINT OF BEGINNING.

PARCEL 4

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SLB&M, VINEYARD, UTAH SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE WEST A DISTANCE OF 1898.33 FEET; THENCE SOUTH A DISTANCE OF 120.89 FEET TO A POINT ON THE FUTURE VINEYARD CONNECTOR WESTERLY RIGHT OF WAY, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING, AND RUNNING THENCE SOUTH 25°52'51" WEST A DISTANCE OF 438.24 FEET ALONG SAID RIGHT OF WAY TO A POINT OF CURVATURE OF A 3630.00-FOOT RADIUS TANGENT CURVE TO THE LEFT; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 152.06 FEET ALONG SAID RIGHT OF WAY, SAID CURVE HAVING A CENTRAL ANGLE OF 02°24'01" AND A CHORD THAT BEARS SOUTH 24°40'51" WEST A DISTANCE OF 152.05 FEET; THENCE NORTH 64°07'09" WEST A DISTANCE OF 75.36 FEET TO A POINT OF CURVATURE OF A 150.00-FOOT RADIUS TANGENT CURVE TO THE RIGHT; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 171.04 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 65°20'00" AND A CHORD THAT BEARS NORTH 31°27'09" WEST A DISTANCE OF 161.93 FEET; THENCE NORTH 01°12'51" EAST A DISTANCE OF 174.21 FEET TO A POINT OF CURVATURE OF A 350.00-FOOT RADIUS TANGENT CURVE TO THE LEFT; THENCE NORTHWESTERLY ALONG THE ACR OF SAID CURVE A DISTANCE OF 340.36 FEET, SAID CURVE HAVING A CENTRAL ANGLE OF 55°43'04" AND A CHORD THAT BEARS NORTH 26°38'41" WEST A DISTANCE OF 327.11 FEET; THENCE NORTH 89°37'51" EAST A DISTANCE OF 430.06 FEET TO THE POINT OF BEGINNING.

PARCEL 5

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SLB&M, VINEYARD, UTAH SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 2194.01 FEET; THENCE WEST A DISTANCE OF 607.08 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE UNION PACIFIC RAILROAD, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING.

THENCE S.62°44'08"W. A DISTANCE OF 395.55 FEET; THENCE WEST A DISTANCE OF 702.05 FEET; THENCE NORTH A DISTANCE OF 521.76 FEET; THENCE N.49°36'54"W. A DISTANCE OF 543.23 FEET; THENCE S.81°32'42"W. A DISTANCE OF 149.82 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY OF THE FUTURE VINEYARD CONNECTOR ROAD, SAID POINT

ALSO BEING A POINT OF CURVATURE OF A 3447.50-FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE A DISTANCE OF 578.86 FEET ALONG SAID EASTERLY RIGHT OF WAY, SAID CURVE HAVING A CENTRAL ANGLE OF 09°37'13" AND A CHORD THAT BEARS N.14°25'51"E. A DISTANCE OF 578.18 FEET; THENCE N.39°12'01"E. A DISTANCE OF 409.65 FEET ALONG SAID EASTERLY RIGHT OF WAY; THENCE N.25°52'51"E. A DISTANCE OF 460.93 FEET ALONG SAID EASTERLY RIGHT OF WAY TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE UNION PACIFIC RAILROAD; THENCE S.27°15'52"E. A DISTANCE OF 2207.89 FEET ALONG SAID WESTERLY RAILROAD RIGHT OF WAY TO THE POINT OF BEGINNING.
CONTAINING 38.60 ACRES OF LAND

LESS AND EXCEPTING THE FOLLOWING:

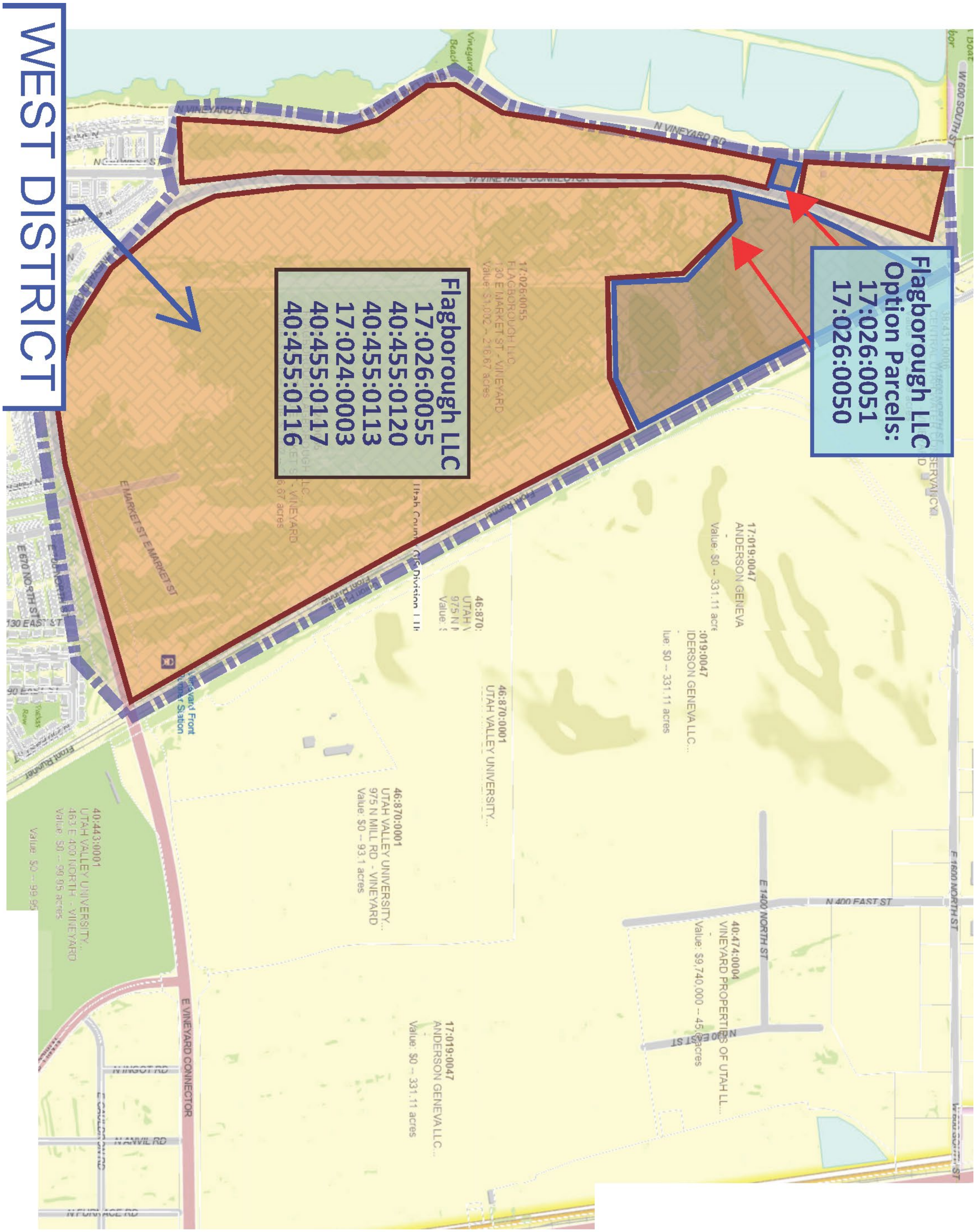
CENTRAL UTAH WATER CONSERVANCY DISTRICT WELL PARCEL #1, ENTRY NO. 31523-2018 IN THE OFFICIAL RECORDS OF THE UTAH CONTY RECORDER'S OFFICE.

PARCEL 6

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SLB&M, VINEYARD, UTAH SAID PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6; THENCE SOUTH A DISTANCE OF 1181.04 FEET; THENCE WEST A DISTANCE OF 2255.37 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY OF THE VINEYARD CONNECTOR ROAD, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING.

THENCE S.14°20'12"W. A DISTANCE OF 80.60 FEET ALONG SAID WESTERLY RIGHT OF WAY; THENCE N.78°28'55"W. A DISTANCE OF 177.87 FEET; THENCE N.11°31'05"E. A DISTANCE OF 80.50 FEET; THENCE S.78°28'55"E. A DISTANCE OF 181.83 FEET TO THE POINT OF BEGINNING.
CONTAINING 0.33 ACRES OF LAND


WEST DISTRICT
Flagborough LLC
17:026:0055
40:455:0120
40:455:0113
17:024:0003
40:455:0117
40:455:0116
Flagborough LLC
Option Parcels:
17:026:0051
17:026:0050