

RECEIVED

November 12, 2025

NOV 12 2025

South Jordan City
South Jordan Redevelopment Agency
1600 W. Towne Center Dr.
South Jordan, UT 84095

CITY OF SOUTH JORDAN
CITY RECORDER'S OFFICE

Re: Letter of Intent to Create the Downtown Daybreak Public Infrastructure District
No. 1 to Facilitate Construction of the Proposed "Downtown Daybreak"
Development

Dear Mayor Ramsey and Mr. Dustin Lewis:

In accordance with Utah Code 17D, the Public Infrastructure District Act, and South Jordan Policy 500-01, LHMRE, LLC, on behalf of its land-owning affiliates within the subject area (the "Applicant"), submits the following letter of intent ("LOI") to South Jordan (the "City") for consideration of creation of one (1) Public Infrastructure District ("PID") to facilitate the construction of the ongoing "Downtown Daybreak" development.

The purpose of this LOI is to summarize project details, the need for each PID, the proposed uses of funds, and the anticipated revenue sources. We look forward to this LOI receiving a positive recommendation as we move forward with the creation of governing documents.

PID Request

The Applicant's request is for a positive recommendation to create governing documents for the formation of Downtown Daybreak PID No. 1 for the land described and depicted in the PID petition enclosed with this LOI. This PID will have sufficient bonding capacity to fund infrastructure needs from revenues associated with the tax increment revenues being generated through the approved and existing South Station HTRZ and additional revenues. The PID will not have the power to independently levy a District mill levy on taxable properties in the District. The following paragraphs summarize the proposed use and need for the PID to finance certain improvements for the enhancement of this portion of South Jordan.

Letter of Intent to Form a Public Infrastructure District

In support of this request, Applicant submits the following information which corresponds to South Jordan's PID Policy:

1. Description of the District

The "Downtown Daybreak" development is located within the Daybreak Development of South Jordan, Utah. The planned development comprises roughly 300 total acres and is proposed for roughly 2,800,000 square feet of commercial space, 289 hotel keys, 4,724 residential units, and regional entertainment venues within a high-quality, mixed-use entertainment district. This development program is consistent with the approved South Station

Housing & Transit Reinvestment Zone and the Daybreak Master Development Agreement.

2. Summary of Public Infrastructure and Publicly Dedicated Amenities

- a. *Currently Expected Development Scenario.* The developer proposes constructing the project described in Subsection 1 above.
- b. *Required Local and Regional Improvements for such Development.* The developer team will provide local and regional improvements that are contemplated by the Master Development Agreement for the Kennecott Master Subdivision #1 Project, as has been amended and supplemented. The financing tools available to the PID will allow for additional improvements that are beyond what is required under existing standards. These improvements will include:

Parking facilities, traffic control, lighting, public trail systems, public gathering and entertainment venues, and infrastructure systems.

The majority of the public infrastructure improvements are intended to be owned by South Jordan and approved public entities. Some public improvements may be owned by the intended Public Infrastructure District, such as parking facilities. It is intended that maintenance of the public improvements will be undertaken by these same entities, or entities contracted by such entities.

- c. *Proposed District-Provided Local and Regional Improvements.* This PID will cause to be installed all infrastructure necessary to complete the construction of improvements intended to be paid for by funds generated and administered by the PID.
- d. *Estimated Construction Costs for the Proposed District Improvements.* The development team anticipates the total cost of proposed improvements to be financed by the PID to be between \$80,000,000 and \$120,000,000. Greater detail of the proposed costs and the use of net proceeds from the bonds will be outlined in the governing documents, drafts of which will be provided to the City in the near future in connection with submitting petitions for the PID.
- e. *Plan of Ownership and/or Maintenance of the Improvements.* Certain improvements will be dedicated to public entities, including the City, for their operation and use. Others will be dedicated to districts already providing services to the project. Some improvements will be owned by one or more of the PID, to the extent allowed by existing law. Entities which accept a dedication of improvements will be responsible for the maintenance of the same.
- f. *General Description of Phasing of Construction Based on Development Projections.* The development team intends to build all of the improvements to be funded with the amounts administered by the PID within a 15-year period.

- g. Proposal of Net Proceeds from the Issuance of Debt and Debt Term..* The developer anticipates the PID will issue bonds that will result in up to \$75 million in net proceeds. It is projected that the tax-exempt bonds will have a length of 30 years and will be financed largely by monetizing revenues associated with tax increment associated with the already approved HTRZ and potential other revenue sources such as public improvement fees and parking revenues.

3. Proposed Timeline for District Creation

It is intended that the PID will be created by December 31, 2025.

4. Disclosure of Intent to Overlap Districts

The proposed PID boundary will not overlap with any existing public infrastructure districts.

5. Summary and Description of Unique Enhancements

The PID will be used to finance improvements that will create unique, mixed use enhancement of the type proposed in the HTRZ approval obtained by the City from the Governor's Office of Economic Opportunity. Existing enhancements include a professional baseball stadium with a capacity in excess of 8,000 people, an outdoor concert venue and related gathering spaces, a Salt Lake County Arts Center, and TRAX connections. The financing of structured parking facilities to support urban scale development is a significant use intended for the PID.

6. Acknowledgement of Petition

A signed petition from existing property owners, all affiliates of Applicant, are included with the petitions for the PID.

7. Disclosure of Conflicts

There are no conflicts of interest. Specifically, neither the development team nor the Applicant has any conflicts of interest with officers and employees of South Jordan.

8. Signed Engagement Letters

Signed engagement letters for consultants and legal counsel retained by South Jordan for the review of these materials will be included with this LOI.

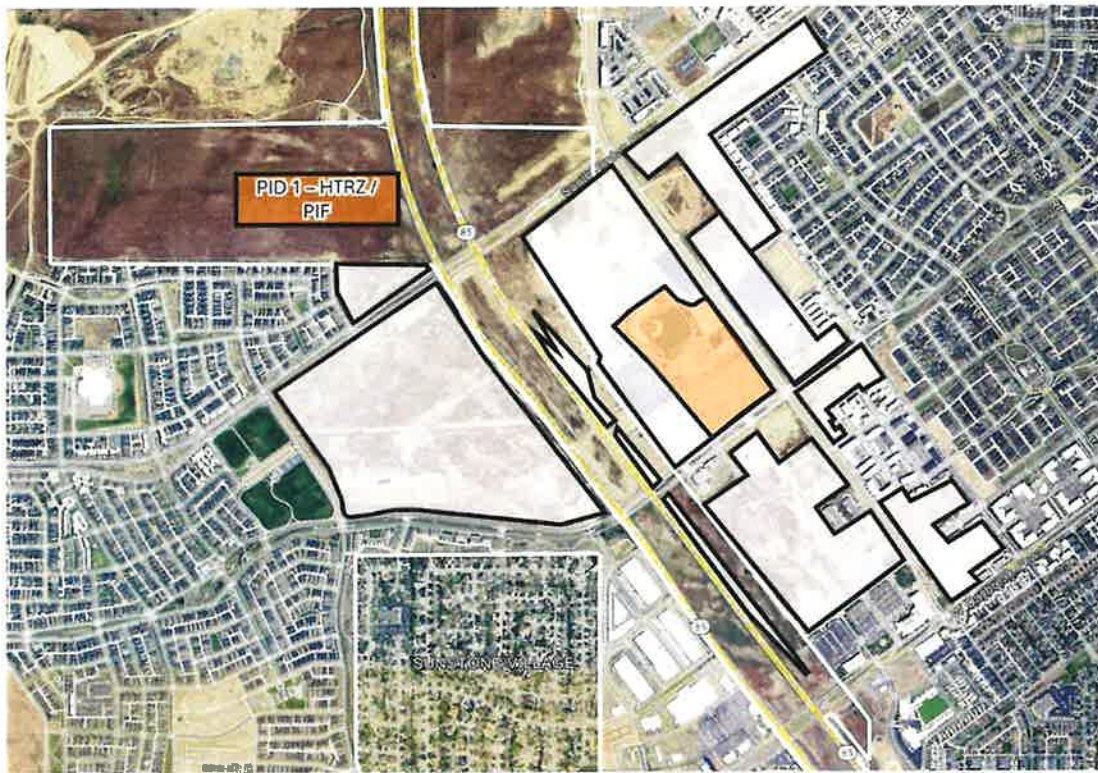
Sincerely,

LHMRE, LLC

By: Brad Holmes
Brad Holmes, President

Enclosures

Enclosure: Proposed Downtown Daybreak PID NO. 1
Annexation Boundary & Initial Area



**PETITION REQUESTING THE CREATION OF
DOWNTOWN DAYBREAK PUBLIC INFRASTRUCTURE DISTRICT NO. 1
IN SOUTH JORDAN, UTAH**

November 12, 2025

City of South Jordan
Anna Crookston, City Recorder
1600 W. Towne Center Drive
South Jordan, UT 84095

The undersigned (collectively, the "Petitioners") hereby requests that the City of South Jordan ("City") approve the creation of a new public infrastructure district to be known as Downtown Daybreak Public Infrastructure District No. 1 (the "District") pursuant to the Special District Act, Title 17B, Chapter 1, Utah Code Annotated 1953 and the Public Infrastructure District Act, Title 17D, Chapter 4, Utah Code Annotated 1953 (collectively, the "Act"). The Petitioners request the District in order to assist in the financing of public infrastructure to service and benefit the proposed area of the District and the Annexation Area as described herein.

I. Petitioners

VP Daybreak Operations LLC, a Delaware limited liability company
VP Daybreak DEVCO LLC, a Delaware limited liability company
VP Daybreak DEVCO 2, Inc. a Utah corporation
VP Daybreak Investments LLC, a Delaware limited liability company
VP Daybreak Investco 10 LLC, a Utah limited liability company
VP Daybreak Investco 11 LLC, a Utah limited liability company
DTDB 5, LLC, a Utah limited liability company
DTDB 6, LLC, a Utah limited liability company
DTDB 8, LLC, a Utah limited liability company
DTDB 11, LLC, a Utah limited liability company
DTDB 13, LLC, a Utah limited liability company
DTDB 14, LLC, a Utah limited liability company
LHMRE, LLC, a Utah limited liability company
DTDB 10, LLC, a Utah limited liability company
LHM DEV HLT, LLC, a Utah limited liability company
9350 S. 150 E., Ste. 800
Sandy, UT 84070

Petitioners are signing this Petition as to that property which is identified in **Exhibit A** hereto, to which they hold title. The sponsor, and contact sponsor, of this Petition is as follows:

VP Daybreak Operations, LLC
c/o Matthew J. Ence
Snow Jensen & Reece, PC
912 W. 1600 S., Ste. B200
St. George, UT 84770

(435) 628-3688

mence@snowjensen.com.

II. Proposed District Boundaries

The Petitioners request that the initial boundaries for the proposed District (the “District Boundaries”) include the property described in **Exhibit A** hereto. The proposed District Boundaries, including a proposed annexation area, are also depicted on the maps attached as **Exhibit B** hereto. The proposed Annexation Area includes both the initial District Boundaries, plus the property depicted on the attached annexation area map, which will allow the District to annex properties into and withdraw properties from the District in the Annexation Area, with a petition and consent from affected property owners.

III. Requested Service

The Petitioners request that the District be created for the purpose of financing the construction of public infrastructure relating to the project, as permitted under the Act, and as shall be further described in the governing document proposed for the District.

IV. Board of Trustees

The Petitioners propose that the Board of Trustees for the District be initially composed of three (3) members appointed by the City Council who are property owners, their agents, or officers, as follows:

(a) Brad Holmes

Officer or agent of property owners
9350 S. 150 E., Suite 800
Sandy, Utah 84070
Brad.holmes@lhm.com

(b) Eric Carlson

Officer or agent of property owners
9350 S. 150 E., Suite 800
Sandy, Utah 84070
Eric.carlson@lhm.com

(c) Mike Kunkel

Officer or agent of property owners
9350 S. 150 E., Suite 800
Sandy, Utah 84070
Mike.kunkel@lhm.com

V. Petitioner Representations

The Petitioners hereby represents and warrants that:

- (a) Those signing on behalf of entity owners are authorized to do so;
- (b) The Petitioners are the owners of 100% of the surface real property included within the proposed District Boundaries;
- (c) This Petition is signed by 100% of the surface property owners of real property within the District Boundaries;
- (d) There are no registered voters residing within the any of the proposed District Boundaries; and
- (e) The proposed Trustees listed above are registered voters at their primary residence and are either a property owner or the agent or officer of a property owner.

VI. Petitioner Consent

The Petitioners hereby consents to:

- (a) The creation of a public infrastructure district having the District Boundaries described herein;
- (b) The annexation of any portion of the Annexation Area (if any) into the District upon petition by the owner of such portion and any registered voters residing thereon;
- (c) A waiver of the residency requirement for members of the Board of Trustees of the District as permitted under Section 17D-4-202(3)(a) of the Act;
- (d) A waiver of the entirety of the protest period described in Section 17B-1-213 of the Act, pursuant to Section 17D-4-201(2)(b) of the Act;
- (e) The recording of a notice as required under Section 17B-1-215(2)(a) and 17D-1-209(1)(a) of the Act, which will apply to all real property within the District Boundaries; and
- (f) The issuance by the District of bonds repayable through property taxes, assessments, or other means available by law.

VII. Electronic Means; Counterparts

This Petition may be circulated by electronic means and executed in several counterparts, including by electronic signature, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same document.

IN WITNESS WHEREOF, the Petitioners have executed and consented to this Petition as of the date indicated on the signature pages attached.

(signature pages to follow)

PETITIONERS:

VP Daybreak Operations LLC, a Delaware limited liability company

By: LHMRE, LLC, a Utah limited liability company

Its: Operating Manager

By: _____

Name: Brad Holmes

Title: President

VP Daybreak DEVCO LLC, a Delaware limited liability company

By: LHMRE, LLC, a Utah limited liability company

Its: Operating Manager

By: _____

Name: Brad Holmes

Title: President

VP Daybreak DEVCO 2, Inc. a Utah corporation

By: _____

Name: Brad Holmes

Title: President

VP Daybreak Investments LLC, a Delaware limited liability company

By: LHMRE, LLC, a Utah limited liability company

Its: Operating Manager

By: _____

Name: Brad Holmes

Title: President

VP Daybreak Investco 10 LLC, a Utah limited liability company
By: MRE Investment Management, L.L.C., a Utah limited liability company
Its: Operating Manger

By: Miller Family Real Estate, L.L.C., a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: Operating Manager

VP Daybreak Investco 11 LLC, a Utah limited liability company
By: MRE Investment Management, L.L.C., a Utah limited liability company
Its: Operating Manger

By: Miller Family Real Estate, L.L.C., a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: Operating Manager

DTDB 5, LLC, a Utah limited liability company

By: LHMRE, LLC, a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: President

DTDB 6, LLC, a Utah limited liability company

By: LHMRE, LLC, a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: President

DTDB 8, LLC, a Utah limited liability company

By: LHMRE, LLC, a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: President

DTDB 11, LLC, a Utah limited liability company

By: LHMRE, LLC, a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: President

DTDB 13, LLC, a Utah limited liability company

By: LHMRE, LLC, a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: President

DTDB 14, LLC, a Utah limited liability company

By: LHMRE, LLC, a Utah limited liability company
Its: Operating Manager

By: _____
Name: Brad Holmes
Title: President

LHMRE, LLC, a Utah limited liability company

By: _____
Name: Brad Holmes
Title: President

DTDB 10, LLC, a Utah limited liability company

By: LHMSE, LLC, a Utah limited liability company

Its: Operating Manager

By: _____

Name: Michelle Smith

Title: President

LHM DEV HLT, LLC, a Utah limited liability company

By: LHMRE, LLC, a Utah limited liability company

Its: Operating Manager

By: _____

Name: Brad Holmes

Title: President

EXHIBIT A

Proposed Initial District Boundary Legal Description

(See following pages)

DOWNTOWN DAYBREAK PID 1 LEGAL DESCRIPTION

Being all of Lots C-101 through C-116, P-101, and Private Rights-of-Way of the Daybreak Urban Center Plat 1, according to the official plat thereof, recorded as Entry No. 14214053 in Book 2024P at Page 058 in the Office of the Salt Lake County Recorder, being more particularly described as follows:

Beginning at a point on the Northwestern Right-of-Way Line of Lake Avenue, said point lies South 89°55'30" East 1110.832 feet along the Daybreak Baseline Southeast (Basis of bearings is South 89°55'30" East 10641.888' between Southwest Corner of Section 24, T3S, R2W and the Southeast Corner of Section 19, T3S, R1W) and North 3534.278 feet from the Southwest Corner of Section 24, Township 3 South, Range 2 West, Salt Lake Base and Meridian and running thence North 36°32'54" West 173.652 feet; thence North 29°25'24" West 24.187 feet; thence North 36°32'54" West 278.177 feet to a point on a 279.500 foot radius tangent curve to the left, (radius bears South 53°27'06" West, Chord: North 37°34'18" West 9.983 feet); thence along the arc of said curve 9.983 feet through a central angle of 02°02'48" to a point of compound curvature with a 17.000 foot radius tangent curve to the left, (radius bears South 51°24'18" West, Chord: North 84°32'58" West 24.439 feet); thence along the arc of said curve 27.270 feet through a central angle of 91°54'31"; thence South 49°29'47" West 3.710 feet; thence North 40°30'13" West 41.000 feet to a point on a 17.000 foot radius non tangent curve to the left, (radius bears North 40°30'13" West, Chord: North 02°34'37" East 24.833 feet); thence along the arc of said curve 27.843 feet through a central angle of 93°50'20"; thence North 44°20'33" West 883.270 feet to a point on a 25.000 foot radius non tangent curve to the left, (radius bears South 01°29'56" East, Chord: South 67°04'46" West 18.262 feet); thence along the arc of said curve 18.694 feet through a central angle of 42°50'37"; thence South 45°39'27" West 7.929 feet; thence North 44°20'33" West 33.000 feet; thence North 45°39'27" East 325.084 feet to a point on a 520.500 foot radius tangent curve to the right, (radius bears South 44°20'33" East, Chord: North 49°33'16" East 70.750 feet); thence along the arc of said curve 70.804 feet through a central angle of 07°47'38"; thence North 53°27'06" East 283.878 feet to a point on a 279.500 foot radius tangent curve to the left, (radius bears North 36°32'54" West, Chord: North 51°51'26" East 15.554 feet); thence along the arc of said curve 15.556 feet through a central angle of 03°11'20"; thence North 50°15'46" East 1.783 feet to a point on a 17.000 foot radius tangent curve to the left, (radius bears North 39°44'14" West, Chord: North 03°15'46" East 24.866 feet); thence along the arc of said curve 27.890 feet through a central angle of 94°00'00"; thence North 43°44'14" West 12.213 feet; thence North 46°15'46" East 41.000 feet; thence South 43°44'14" East 50.276 feet; thence North 53°27'06" East 236.825 feet to a point on the Southwesterly Right-of-Way Line of Grandville Avenue; thence along said Grandville Avenue the following (54) courses: 1) South 36°32'54" East 2.480 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears North 53°27'06" East, Chord: South 59°02'54" East

DOWNTOWN DAYBREAK PID 1 LEGAL DESCRIPTION

4.210 feet); 2) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 3) South 81°32'54" East 6.464 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 08°27'06" West, Chord: South 59°02'54" East 3.444 feet); 4) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 5) South 36°32'54" East 30.000 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 14°02'54" East 3.444 feet); 6) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 7) South 08°27'06" West 6.464 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears South 81°32'54" East, Chord: South 14°02'54" East 4.210 feet); 8) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 9) South 36°32'54" East 217.093 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears North 53°27'06" East, Chord: South 59°02'54" East 4.210 feet); 10) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 11) South 81°32'54" East 6.464 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 08°27'06" West, Chord: South 59°02'54" East 3.444 feet); 12) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 13) South 36°32'54" East 19.000 feet to a point on a 28.000 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 01°44'24" West 34.699 feet); 14) along the arc of said curve 37.422 feet through a central angle of 76°34'36"; 15) South 36°32'54" East 28.530 feet to a point on a 28.000 foot radius non tangent curve to the right, (radius bears South 23°07'31" East, Chord: South 74°50'13" East 34.699 feet); 16) along the arc of said curve 37.422 feet through a central angle of 76°34'36"; 17) South 36°32'54" East 19.000 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 14°02'54" East 3.444 feet); 18) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 19) South 08°27'06" West 6.464 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears South 81°32'54" East, Chord: South 14°02'54" East 4.210 feet); 20) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 21) South 36°32'54" East 204.513 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears North 53°27'06" East, Chord: South 59°02'54" East 4.210 feet); 22) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 23) South 81°32'54" East 6.464 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 08°27'06" West, Chord: South 59°02'54" East 3.444 feet); 24) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 25) South 36°32'54" East 14.584 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 14°02'54" East 3.444 feet); 26) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 27) South 08°27'06" West 6.464 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears South 81°32'54" East, Chord: South 14°02'54" East 4.210 feet); 28) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 29) South 36°32'54" East 193.334 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears North 53°27'06" East, Chord: South 59°02'54" East 4.210 feet); 30) along the arc of

DOWNTOWN DAYBREAK PID 1 LEGAL DESCRIPTION

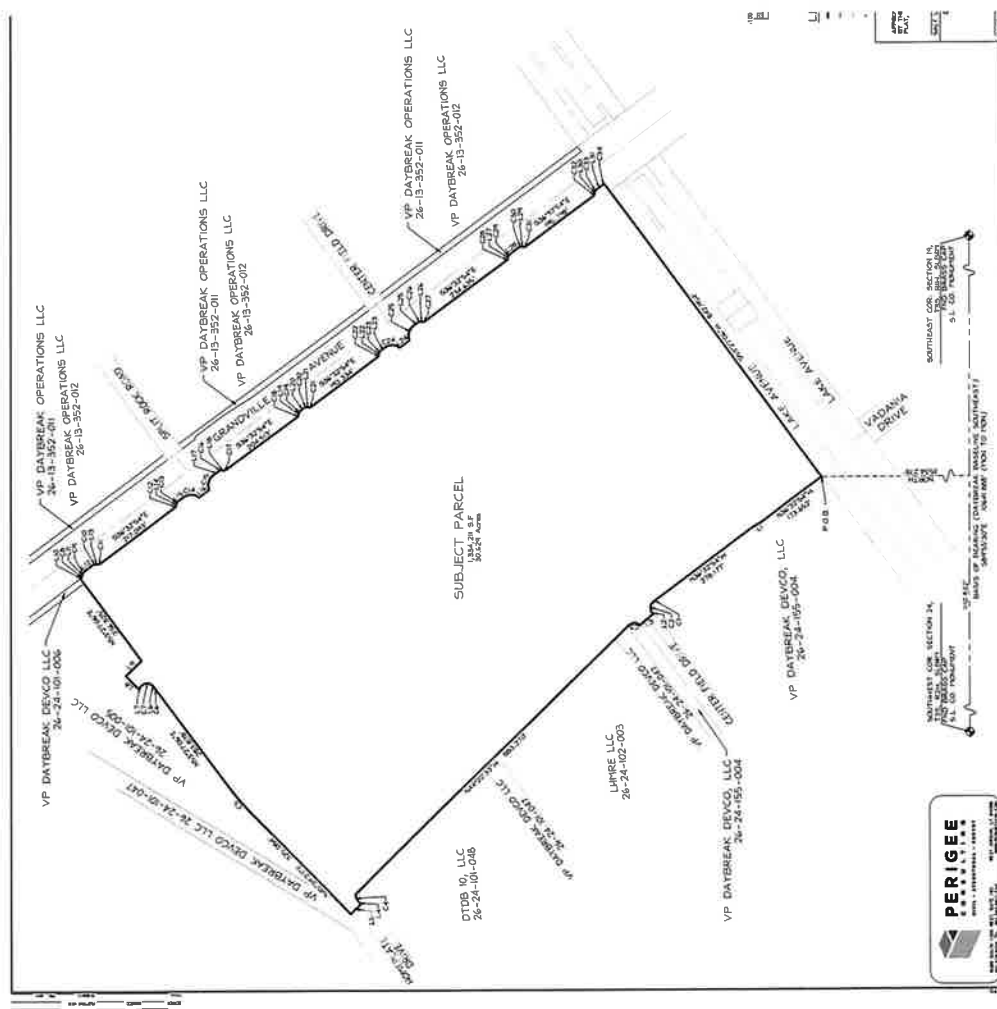
said curve 4.320 feet through a central angle of 45°00'00"; 31) South 81°32'54" East 6.464 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 08°27'06" West, Chord: South 59°02'54" East 3.444 feet); 32) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 33) South 36°32'54" East 15.000 feet to a point on a 28.000 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 01°44'24" West 34.699 feet); 34) along the arc of said curve 37.422 feet through a central angle of 76°34'36"; 35) South 36°32'54" East 28.530 feet to a point on a 28.000 foot radius non tangent curve to the right, (radius bears South 23°07'31" East, Chord: South 74°50'13" East 34.699 feet); 36) along the arc of said curve 37.422 feet through a central angle of 76°34'36"; 37) South 36°32'54" East 15.000 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 14°02'54" East 3.444 feet); 38) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 39) South 08°27'06" West 6.464 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears South 81°32'54" East, Chord: South 14°02'54" East 4.210 feet); 40) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 41) South 36°32'54" East 234.635 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears North 53°27'06" East, Chord: South 59°02'54" East 4.210 feet); 42) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 43) South 81°32'54" East 6.464 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 08°27'06" West, Chord: South 59°02'54" East 3.444 feet); 44) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 45) South 36°32'54" East 30.000 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 14°02'54" East 3.444 feet); 46) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 47) South 08°27'06" West 6.464 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears South 81°32'54" East, Chord: South 14°02'54" East 4.210 feet); 48) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 49) South 36°32'54" East 195.798 feet to a point on a 5.500 foot radius tangent curve to the left, (radius bears North 53°27'06" East, Chord: South 59°02'54" East 4.210 feet); 50) along the arc of said curve 4.320 feet through a central angle of 45°00'00"; 51) South 81°32'54" East 6.464 feet to a point on a 4.500 foot radius tangent curve to the right, (radius bears South 08°27'06" West, Chord: South 59°02'54" East 3.444 feet); 52) along the arc of said curve 3.534 feet through a central angle of 45°00'00"; 53) South 36°32'54" East 18.999 feet to a point on a 28.000 foot radius tangent curve to the right, (radius bears South 53°27'06" West, Chord: South 30°53'04" East 5.527 feet); 54) along the arc of said curve 5.536 feet through a central angle of 11°19'42"; thence South 53°27'06" West 842.954 feet to the point of beginning.

Property contains 30.629 acres.

EXHIBIT B

Proposed Initial Boundary Map

(see following pages)



BOUNDARY DESCRIPTION:

Being all of Lots 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

Property contains 30.479 acres



EXHIBIT B-1

Proposed Annexation Area Map & Parcels

(see following pages)



DOWNTOWN DAYBREAK PID ANNEXATION AREA -PARCEL ID, ACRES, OWNER

| Parcel ID | Acres | Owner |
|----------------|-------|---|
| 26232010020000 | 7.43 | VP DAYBREAK DEVCO LLC |
| 26232030010000 | 48.39 | VP DAYBREAK DEVCO 2 INC |
| 26232260010000 | 0.90 | VP DAYBREAK INVESTCO 11 LLC |
| 26232760020000 | 4.89 | VP DAYBREAK INVESTCO 10 LLC |
| 26232760030000 | 43.30 | VP DAYBREAK DEVCO 2 INC |
| 26232000150000 | 0.15 | VP DAYBREAK INVESTMENTS LLC |
| 26133370250000 | 4.18 | VP DAYBREAK OPERATIONS, LLC |
| 26133520070000 | 0.87 | VP DAYBREAK OPERATIONS LLC; VP DAYBREAK DEVCO LLC |
| 26133550010000 | 20.03 | VP DAYBREAK DEVCO LLC |
| 26133550030000 | 0.19 | VP DAYBREAK OPERATIONS LLC |
| 26133520120000 | 46.12 | VP DAYBREAK OPERATIONS, LLC |
| 26241380410000 | 1.00 | VP DAYBREAK OPERATIONS, LLC |
| 26133520060000 | 0.60 | VP DAYBREAK OPERATIONS LLC; VP DAYBREAK DEVCO LLC |
| 26133550020000 | 0.14 | VP DAYBREAK OPERATIONS LLC |
| 26144000190000 | 10.39 | LHM DEV HLT LLC |
| 26241010470000 | 1.92 | VP DAYBREAK DEVCO LLC |
| 26241010050000 | 3.14 | VP DAYBREAK DEVCO LLC |
| 26241010080000 | 3.66 | VP DAYBREAK DEVCO LLC |
| 26241031130000 | 8.20 | DTDB 10 LLC |
| 26241031140000 | 0.77 | VP DAYBREAK DEVCO LLC |
| 26241031160000 | 0.78 | VP DAYBREAK DEVCO LLC |
| 26241031070000 | 2.11 | DTDB 6 LLC |
| 26241031100000 | 0.34 | DTDB 5 LLC |
| 26241031020000 | 2.93 | VP DAYBREAK DEVCO LLC |
| 26241031040000 | 1.51 | VP DAYBREAK DEVCO LLC |
| 26241031030000 | 0.46 | VP DAYBREAK DEVCO LLC |
| 26241010340000 | 0.08 | DTDB 11 LLC |
| 26241031120000 | 2.13 | DTDB 8 LLC |
| 26241031110000 | 1.96 | DTDB 11 LLC |
| 26241010060000 | 0.09 | VP DAYBREAK DEVCO LLC |
| 26241010480000 | 3.30 | DTDB 10, LLC |
| 26241031150000 | 0.83 | VP DAYBREAK DEVCO LLC |
| 26241031080000 | 0.40 | DTDB 13 LLC |
| 26241031090000 | 0.27 | DTDB 14 LLC |
| 26241031050000 | 1.47 | VP DAYBREAK DEVCO LLC |
| 26241031060000 | 0.61 | VP DAYBREAK DEVCO LLC |
| 26241031010000 | 2.07 | VP DAYBREAK DEVCO LLC |
| 26241010320000 | 0.37 | VP DAYBREAK DEVCO LLC |
| 26241020030000 | 3.58 | LHMRE LLC |
| 26241550040000 | 5.75 | VP DAYBREAK DEVCO LLC |
| 26243000380000 | 8.82 | VP DAYBREAK OPERATIONS LLC |

DOWNTOWN DAYBREAK PID ANNEXATION AREA -PARCEL ID, ACRES, OWNER

| | | |
|----------------|-------|------------------------------|
| 26241260100000 | 0.32 | VP DAYBREAK OPERATIONS LLC |
| 26241760070000 | 2.79 | VP DAYBREAK DEVCO LLC |
| 26241260020000 | 1.75 | VP DAYBREAK OPERATIONS LLC |
| 26241260050000 | 3.67 | VP DAYBREAK OPERATIONS LLC |
| 26241780010000 | 1.70 | VP DAYBREAK DEVCO, LLC |
| 26241780090000 | 22.09 | VP DAYBREAK DEVCO LLC |
| 26241780100000 | | VP DAYBREAK DEVCO LLC |
| 26243260140000 | 16.95 | VP DAYBREAK INVESTMENTS, LLC |
| 26244070010000 | 0.89 | VP DAYBREAK OPERATIONS, LLC |
| 26244070090000 | 1.18 | VP DAYBREAK OPERATIONS LLC |
| 26244070100000 | 0.71 | VP DAYBREAK OPERATIONS LLC |
| 26244070130000 | 1.16 | VP DAYBREAK OPERATIONS LLC |
| 26244070140000 | 0.70 | VP DAYBREAK OPERATIONS LLC |
| 26242580020000 | 0.81 | VP DAYBREAK OPERATIONS, LLC |
| 26242580120000 | 1.11 | VP DAYBREAK OPERATIONS LLC |
| 26242580160000 | 0.59 | VP DAYBREAK OPERATIONS LLC |
| 26242580170000 | 0.59 | VP DAYBREAK OPERATIONS LLC |
| 26242580010000 | 1.48 | VP DAYBREAK OPERATIONS, LLC |
| 26242580030000 | 0.81 | VP DAYBREAK OPERATIONS, LLC |
| 26242580130000 | 0.95 | VP DAYBREAK OPERATIONS LLC |
| 26244070020000 | 0.69 | VP DAYBREAK OPERATIONS, LLC |
| 26244070030000 | 0.99 | VP DAYBREAK OPERATIONS, LLC |
| 26241790060000 | 0.80 | VP DAYBREAK OPERATIONS LLC |
| 26241780040000 | 0.27 | VP DAYBREAK DEVCO LLC |

**GOVERNING DOCUMENT
FOR
DOWNTOWN DAYBREAK
PUBLIC INFRASTRUCTURE DISTRICT NO. 1
SOUTH JORDAN CITY, UTAH**

 , 2025

Prepared by:
Snow Jensen & Reece, PC
St. George, Utah

TABLE OF CONTENTS

[Insert Table of Contents]

LIST OF EXHIBITS

| | |
|-----------|---|
| EXHIBIT A | Legal Descriptions |
| EXHIBIT B | South Jordan City Vicinity Map |
| EXHIBIT C | Initial District and Annexation Area Boundary Map |

DRAFT

I. INTRODUCTION

A. Purpose and Intent.

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

B. Need for the District.

There are currently no other governmental entities, including the City, located in the immediate vicinity of the District that consider it desirable, feasible or practical to undertake the planning, design, acquisition, construction installation, relocation, redevelopment, and financing of the Public Improvements needed for the Project. Formation of the District is therefore necessary in order for the Public Improvements required for the Project to be provided in the most economic manner possible.

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

The City's objective in approving this Governing Document for the District is to authorize the District to provide for the planning, design, acquisition, construction, installation, relocation and redevelopment of the Public Improvements from the proceeds of Debt to be issued by the District. All Debt is expected to be repaid by tax increment revenues, Assessments, and other legal revenue sources (excluding taxes levied and collected by the District, which are not permitted). Debt which is issued within these parameters and, as further described in the Financial Plan, will insulate property owners from excessive tax burdens to support the servicing of the Debt and will result in a timely and reasonable discharge of the Debt.

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

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

The District shall be authorized to finance the Public Improvements that can be funded from Debt to be repaid from tax increment, Assessments, or other legal revenue, (excluding

taxes levied and collected by the District, which are not permitted). Generally, the cost of Public Improvements that cannot be funded within these parameters are not costs to be paid by the District.

II. DEFINITIONS

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

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

Annexation Area Boundary Map: means the map attached hereto as **Exhibit C-2**, describing the property proposed for potential future annexation into or withdrawal from the District.

Approved Development Plan: means a Preliminary Development Plan or other process established by the City for identifying, among other things, Public Improvements necessary for facilitating development for property within the District Area as approved by the City pursuant to the City Code and as amended pursuant to the City Code from time to time. For purposes of this Governing Document, the South Station HTRZ & Master Development Agreement for the Kennecott Master Subdivision #1 Project, shall together constitute an Approved Development Plan.

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

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

Board: means the boards of trustees of the District.

Bond, Bonds or Debt: means bonds or other obligations, including loans of any property owner, for the payment of which the District has promised to pledge tax increment revenue, and/or collect Assessments or other Fees.

City: means South Jordan City, Utah.

City Code: means the City Code of South Jordan City, Utah.

City Council: means the City Council of South Jordan City, Utah.

C-PACE Act: means Title 11, Chapter 42a of the Utah Code, as amended from time to time and any successor statute thereto.

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

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

District: means the Downtown Daybreak Public Infrastructure District No. 1.

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

End User: means any owner, or tenant of any owner, of any improved property within the Districts, other than a developer or builder which developed or improved the property solely for resale to an End User. By way of illustration, an owner or tenant of a property for which a certificate of occupancy has been issued, is an End User, but excluding a developer or builder which developed or constructed a property solely for resale.

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

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

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

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

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

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

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

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

Municipal Advisor: means a consultant that: (i) advises Utah governmental entities on matters relating to the issuance of securities by Utah governmental entities, including matters such as the pricing, sales and marketing of such securities and the procuring of bond ratings, credit enhancement and insurance in respect of such securities; (ii) shall be an individual listed as a public finance advisor in the Bond Buyer's Municipal Market Place; and (iii) is not an officer or employee of the District.

Project: means the development or property commonly referred to as Downtown Daybreak.

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 Special District Act, except as specifically limited in Section V below to serve the future taxpayers and inhabitants of the District Area as determined by the Board, and includes Public Infrastructure and Improvements as defined in the PID Act. Public Improvements specifically may include water rights acquired by a District for the benefit of the City or other public entity.

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

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

State: means the State of Utah.

Trustee: means a member of the Board of a District.

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

III. BOUNDARIES

The area of the Initial District Boundaries includes approximately 0.153 acres, and the area of the Annexation Area includes approximately 309.13 acres, which is inclusive of all property within the Initial District Boundaries. A legal description of the Initial District Boundaries is attached hereto as **Exhibit A**. A vicinity map is attached hereto as **Exhibit B**. A map of the Initial District Boundaries and a map and parcel list of the Annexation Area Boundaries is attached hereto as **Exhibit C**. It is anticipated that the District's boundaries may change from time to time as it undergoes annexations and withdrawals pursuant to Section 17B-4-201, Utah Code, subject to Article V below.

IV. PROPOSED LAND USE/POPULATION PROJECTIONS/ASSESSED VALUATION

The District Area consists of approximately 309.13 acres that currently exist as commercially developed and undeveloped land. The current assessed valuation of the District Area at build out is expected to be sufficient to reasonably discharge the Debt under the Financial Plan.

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

V. DESCRIPTION OF PROPOSED POWERS, IMPROVEMENTS AND SERVICES

A. Powers of the District and Governing Document Amendment.

The District shall have the power and authority to provide the Public Improvements within and without the boundaries of the District as such power and authority is described in the PID Act, the Special District Act, and other applicable statutes, common law and the Constitution, subject to the limitations set forth herein.

1. **Operations and Maintenance Limitation.** The purpose of the District is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The District shall dedicate the Public Improvements to the City or other appropriate public or private entity, utility, or owners association in a manner consistent with the Approved Development Plan and other rules and regulations of the City and applicable provisions of the City Code and PID Act. The District shall be authorized, but not obligated, to own, operate, and maintain Public Improvements not otherwise required to be dedicated to the City or other public entity.

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

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

4. **Procurement.** The District shall be subject to the Utah Procurement Code, Title 63G, Chapter 6a. Notwithstanding this requirement, the District may acquire completed or partially completed improvements for fair market value as reasonably determined by a surveyor or engineer that such District employs or engages, consistent with applicable provisions of the PID Act.

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

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

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

6. Annexation and Withdrawal.

(a) The District shall not include within any of their boundaries any property outside the District Area without the prior written consent of the City. The City, by resolution and this Governing Document, has consented to the annexation of any area within the Annexation Area Boundaries into the District. Such area may only be annexed upon the District obtaining any consents required under the PID Act and the passage of a resolution of the Board approving such annexation.

(b) The City, by resolution and this Governing Document, has consented to the withdrawal of any area within the District Boundaries from a District. Such area may only be withdrawn upon such District obtaining any consents required under the PID Act and the passage of a resolution of the Board approving such withdrawal.

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

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

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

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

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

9. Total Debt Issuance Limitation. There shall be no limit on:

(a) the amount of Debt which may be issued by the District, provided the Maximum Debt Mill Levy is not exceeded on any property within the District;

(b) the District's pledge of its tax increment revenues to the Debt; or

(c) the amount of Assessment Debt or C-PACE Bonds the District may issue so long as such issuances are in accordance with the provisions of the applicable Assessment Act.

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

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

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

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

11. Governing Document Amendment Requirement.

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

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

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

B. Preliminary Engineering Survey.

The District shall have authority to provide for the planning, design, acquisition, construction, installation, relocation, redevelopment, maintenance, and financing of the Public Improvements within and without the boundaries of the District, to be more specifically defined in an Approved Development Plan.

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

VI. THE BOARD OF TRUSTEES

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

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

C. Reelection and Reappointment. Upon the expiration of a Trustee's respective term, any seat which has not transitioned to an elected seat shall be appointed by either the City Council pursuant to the PID Act or by the Board pursuant to 17D-4-202(1)(b) of the PID Act. Any seat which has transitioned to an elected seat shall be elected pursuant to an election held for such purpose. In the event that no qualified candidate files to be considered for appointment or files a declaration of candidacy for a seat, such seat may be filled in accordance with the Special District Act.

D. Vacancy. Any vacancy on a Board shall be filled pursuant to the PID Act and Special District Act. Pursuant to 17D-4-202(1)(b), the Board may appoint an individual to the Board so long as the individual meets the requirements to serve on a public infrastructure district board as set forth in the PID Act.

E. Compensation. Unless otherwise permitted by the PID Act, only Trustees who are residents of the District may be compensated for services as Trustee. Such compensation shall be in accordance with State Law.

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

VII. REGIONAL IMPROVEMENTS

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

VIII. FINANCIAL PLAN

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. In addition, the District shall be permitted to finance the prepayment of impact fees for the Project. The Financial Plan for the District shall be to issue such Debt as the District can reasonably pay within the Maximum Debt Mill Levy Imposition Term from revenues derived from the Maximum Debt Mill Levy, Assessments and other legally available revenues. The District may also pledge any other available revenue to such issuance of Debt, including but not limited any revenue from tax increment agreements. The District shall be permitted to issue Debt on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs. All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including tax increment revenue, and Assessments. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess Fees, penalties, or charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time.

B. Maximum Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed fifteen percent (15%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Governing Document, State law and Federal law as then applicable to the issuance of public securities.

C. Prepayment of Assessments.

All Assessments (other than C-PACE Assessments) imposed by the District on a parcel zoned for residential uses shall be prepaid at or before the time such parcel is conveyed to an End User. In the event a developer or other initial seller of property within the District intends to pass on Assessments to a party that is not a residential End User, the Developer shall obtain, or cause the seller to obtain, a signed acknowledgement of such purchaser stating the amount of Assessments being passed on. Any C-PACE Assessments may be repayable in accordance with the provisions of such act.

D. Debt Repayment Sources.

The District may rely upon various revenue sources authorized by law. At the District's discretion, these may include revenue from tax increment arrangements, or from the power to assess Assessments, penalties, or charges, including as provided in Section 17D-4-304, Utah Code, as amended from time to time. The District may not impose a mill levy upon taxable property in the District.

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

E. Debt Instrument Disclosure Requirement.

In the text of each Bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Governing Document for creation of the District.

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

F. Security for Debt.

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

G. District's Operating Costs.

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

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

H. Bond and Disclosure Counsel.

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

IX. ANNUAL REPORT

A. General.

The District shall be responsible for submitting an annual report to the City Manager's Office no later than one hundred eighty (180) days following the end of the District's fiscal year.

B. Reporting of Significant Events.

The annual report shall include information as to any of the following:

1. Boundary changes made or proposed to the District's boundary as of December 31 of the prior year.
2. List of current interlocal agreements, if changed (to be delivered to the City upon request);
3. Names and terms of Board members and officers and progress towards milestones required for transition to elected Board;
4. District office contact information;
5. Rules and regulations of a District regarding bidding, conflict of interest, contracting, and other governance matters, if changed;

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

7. Status of the District's construction of the Public Improvements as of last day of the prior fiscal year and listing all facilities and improvements constructed by the District that have been dedicated to and accepted by the City as of the last day of the prior fiscal year;

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

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

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

11. The District's financial statements, for the previous fiscal year. Such statements shall be audited if required pursuant to State law or relevant bond documents (such statements shall be submitted within thirty (30) days of completion if completed after one hundred eighty (180) days following the end of the fiscal year);

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

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

X. DISSOLUTION

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

XI. DISCLOSURE TO PURCHASERS

Within thirty (30) days of the City adopting a resolution creating the District, the Board shall record a notice with the recorder of Summit County, Utah. Such notice shall (a) contain a description of the boundaries of the District, (b) state that a copy of this Governing Document is on file at the office of the City, and (c) if applicable, stating that the debt may convert to general obligation debt and outlining the provisions relating to conversion. Such notice shall further be filled with the City.

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

- (1) All of the information in the first paragraph of this article above.
- (2) Such disclosures shall be contained on a separate-colored page of the applicable closing or lease documents and shall require a signature of such end user acknowledging the foregoing.

DRAFT

EXHIBIT A

Legal Description of Initial District Boundary

(see following pages)

DRAFT

EXHIBIT B

South Jordan City Vicinity Map

(see following page)

DRAFT

EXHIBIT C

Initial District Boundary Map

(see following page)

DRAFT

EXHIBIT C-2

Annexation Area Map

(see following page)

DRAFT