

INTERLOCAL COOPERATION AGREEMENT

THIS INTERLOCAL COOPERATION AGREEMENT is made and entered into this 25th day of May, 2018, by and between the **EAGLE MOUNTAIN REDEVELOPMENT AGENCY**, a community reinvestment agency and political subdivision of the State of Utah (the "Agency"), and **UTAH COUNTY**, a political subdivision of the State of Utah (the "County") in contemplation of the following facts and circumstances:

A. **WHEREAS**, the Agency was created and organized pursuant to the provisions of the Utah Neighborhood Development Act, Utah Code Annotated ("UCA") §17A-2-1201 *et seq.* (2000), and continues to operate under the provisions of its extant successor statute, the Limited Purpose Local Government Entities - Community Reinvestment Agency Act, Title 17C of the UCA (the "Act"), and is authorized and empowered under the Act to undertake, among other things, various community development activities pursuant to the Act, including, among other things, assisting Eagle Mountain City (the "City") in development activities that are likely to advance the policies, goals and objectives of the City's general plan, contributing to capital improvements which substantially benefit the City, creating economic benefits to the City, and improving the public health, safety and welfare of its citizens; and

B. **WHEREAS**, this Agreement is made pursuant to the provisions of the Act and the Interlocal Cooperation Act (UCA Title 11, Chapter 13) (the "Cooperation Act"); and

C. **WHEREAS**, the Agency will create the Sweet Water Industrial Park Community Reinvestment Project Area #1 (the "Project Area"), through the adoption of the Sweet Water Industrial Park #1 Plan (the "Project Area Plan"), located within the City, which Project Area is described in Exhibit "A" attached hereto and incorporated herein by this reference; and

D. **WHEREAS**, the Project Area contains vacant and underutilized land, which is anticipated to be developed, with encouragement and planning by the Agency, as a data center consisting of real and personal property including a building or group of buildings for the construction, maintenance, use and/or operation of a data center, including ancillary buildings consisting of office buildings, utility buildings and temporary and/or prefabricated construction management buildings (each a "Building" and collectively the "Buildings"). The Agency has not entered into any participation or development agreements with developers but anticipates that prior to development of the Project Area, the City and/or the Agency will enter into one or more participation agreements with one or more developer(s) which will provide certain terms and conditions upon which the Project Area will be developed using, in part, "Tax Increment" (as that term is defined in the Act), generated from the Project Area; and

E. **WHEREAS**, historically, the Project Area has generated a total of \$66 per year in property taxes for the various taxing entities, including the City, the County, Alpine School District (the "School District"), and other taxing entities; and

F. **WHEREAS**, upon full development as contemplated in the Project Area Plan, property taxes produced by the Project Area for the City, the County, the School District, and other taxing entities are projected to total approximately \$8,374,500.00 per year; and

G. **WHEREAS**, the Agency has requested the City, the County, the School District, and other taxing entities to participate in the promotion of development in the Project Area by agreeing to remit to the Agency for a specified period of time specified portions of the increased real and personal property tax (i.e., Tax Increment) which will be generated by the Project Area; and

H. **WHEREAS**, it is in the best interest of the citizens of the County for the County to remit such payments to the Agency to permit the Agency to leverage private development of the Project Area; and

I. **WHEREAS**, the Agency has retained Lewis Young Robertson & Burningham, Inc., an independent financial consulting firm with substantial experience regarding community reinvestment projects and tax increment funding across the State of Utah, to prepare the Project Area Plan and to provide a report regarding the need and justification for investment of Tax Increment revenues from and within the Project Area. A copy of the report is included in the Draft Project Area Plan attached as Exhibit "B"; and

J. **WHEREAS**, the Agency will create the Sweet Water Industrial Park Community Reinvestment Project Area #1 Budget (the "Project Area Budget"), a draft copy of which is attached as Exhibit "C", which Project Area Budget, generally speaking, outlines the anticipated generation, payment and use of Tax Increment within the Project Area;

K. **WHEREAS**, the City will enter into a development agreement with Stadion, LLC, in the form attached hereto as Exhibit "D" (the "Development Agreement"); and

L. **WHEREAS**, the parties desire to set forth in writing their agreements regarding the nature and timing of such assistance;

NOW, THEREFORE, the parties agree as follows:

1. **Additional Tax Revenue.** The County has determined that significant additional Tax Increment will likely be generated by the development of the Project Area as described in further detail in the Project Area Plan and Project Area Budget. Each of the parties acknowledge, however, that the development activity required for the generation of the Tax Increment is not likely to occur within the foreseeable future or to the degree possible or desired without Tax Increment participation in order to induce and encourage such development activity.

2. **Offset of Development Costs and Expenses.** The County has determined that it is in the best interests of its citizens to pay specified portions of its portion of Tax Increment to the Agency in order for the Agency to offset costs and expenses which will be incurred by Agency or participants in Project Area development, including, without limitation, the construction and installation of Buildings, infrastructure improvements, personal property and other development related costs needed to serve the Project Area, to the extent permitted by the Act, the Project Area Plan, and the Project Area Budget, each as adopted and amended from time to time.

3. **Base Year and Base Year Value.** The base year, for purposes of calculation of the Base Taxable Value (as that term is defined in the Act), shall be 2017, meaning the Base Taxable Value shall, to the extent and in the manner defined by the Act, be equal to the equalized taxable value shown on the 2017 Utah County assessment rolls for all property located within the Project Area (which is currently estimated to be \$5,867, but is subject to final adjustment and verification by the County and Agency).

4. **Agreement(s) with Developer(s).** The Agency is authorized to enter into one or more participation agreements with one or more participants which may provide for the payment of certain amounts of Tax Increment (to the extent such Tax Increment is actually paid to and received by the Agency from year to year) to the participant(s) conditional upon the participant (s)'s meeting of certain performance measures as outlined in said agreement. Such agreement shall be consistent with the terms and conditions of this Agreement, shall require as a condition of the payment to the participant(s) that the respective participant or its approved successors in title as owners of all current and subsequent parcels within the Project Area, as outlined in Exhibit "A" (the "Property"), shall pay any and all taxes and assessments which shall be assessed against the Property in accordance with levies made by applicable municipal entities in accordance with the laws of the state of Utah applicable to such levies, and such other performance measures as the Agency may deem appropriate.

5. **Payment Trigger.** The Property may be developed in Phases. A "Phase" means each phase of the development of the Property as designated by a participant, which Phase shall include at least one (1) Building and any associated real property identified and designated by a participant. A Phase may or may not be a legally subdivided parcel of real property. The first year of payment of Tax Increment from the County to the Agency shall be determined by the Agency, provided the first year of payment for the first Phase shall not be later than tax year 2023. The Agency may trigger the collection of Tax Increment for a Phase by delivering a letter or other written request to the Utah County Auditor's office identifying such Phase (the "Trigger Notice"). The Agency shall be entitled to receive Tax Increment for each Phase for an initial period of twenty (20) full calendar years commencing with the year after the Agency delivers a Trigger Notice for such Phase (each, an "Increment Period"); provided, however, notwithstanding anything contained in this Agreement to the contrary, the Agency will no longer be entitled to receive tax increment on any Phase after the thirty-fifth (35th) tax year following the trigger year of the first Increment Period.

6. **Total Payment to Agency.** The County shall remit to the Agency, beginning with property tax receipts during each Increment Period for each Phase, 100% of the annual Tax Increment generated from the personal property tax within the Project Area and 80% of the annual Tax Increment generated from the real (*i.e.*, building, land, and fixtures) and centrally assessed property within the Project Area; provided, however, that the total amount of such Tax Increment generated from real property tax (*i.e.*, building, land, and fixtures which are assessed as real property) and centrally assessed property attributable to the County's tax levy that is paid to the Agency under this Agreement shall not exceed \$4,000,000.00 per Phase (the "Per Phase Real Property Tax Increment Cap") and shall not exceed a total of \$20,000,000.00 for all Phases within the Project Area (the "Total Real Property Tax Increment Cap"). The Per Phase Real Property Tax Increment Cap and the Total Real Property Tax Increment Cap shall not apply to Tax Increment generated from personal property. If the Infrastructure Improvements (as defined in the Development Agreement) are not completed within two (2) years after a Trigger Notice for the first Phase is delivered, the County may suspend the payment of Tax Increment to the Agency until the Infrastructure Improvements are substantially completed (and upon substantial completion of the Infrastructure Improvements the County will remit all suspended Tax Increment to the Agency). In addition, Tax Increment will not be payable for buildings developed for residential purposes or other commercial purposes not ancillary to a data center.

7. **Property Tax Increase.** This Agreement provides for the payment of the increase in real, personal property, and centrally assessed property taxes collected from the Project Area by the County. Without limiting the foregoing, this Agreement includes Tax Increment resulting from an increase in the tax rate of the County, which is hereby expressly approved as being included in Tax Increment as required by Section 17C-1-407 of the Act. It is expressly understood that the Property Taxes which are the subject of this Agreement are only those Property Taxes actually collected by the County from the Project Area.

8. **Future Increment Period Conditions.** The Agency will receive the same participation and level of tax increment received during the initial Increment Period for each additional Phase conditional upon the Agency amending the Project Area Plan and Project Area Budget for each additional Phase and providing notice to the County of such amendments.

9. **No Independent Duty.** The County shall be responsible to remit to the Agency only Tax Increment actually received by the County. The County shall have no independent duty to pay any amount to the Agency other than the Tax Increment actually received by the County on an annual basis during each Increment Period for each Phase.

10. **Authority to Bind.** Each individual executing this Agreement represents and warrants that such person is authorized to do so, and, that upon executing this Agreement, this Agreement shall be binding and enforceable in accordance with its terms upon the party for whom such person is acting.

11. **Further Documents and Acts.** Each of the parties hereto agrees to cooperate in good faith with the others, and to execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated under this Agreement.

12. **Notices.** Any notice, request, demand, consent, approval or other communication required or permitted hereunder or by law shall be validly given or made only if in writing and delivered to an officer or duly authorized representative of the other party in person or by Federal Express, private commercial delivery or courier service for next business day delivery, or by United States mail, duly certified or registered (return receipt requested), postage prepaid, and addressed to the party for whom intended, as follows:

If to County:
Utah County
Attn: County Commission
100 E. Center Street
Suite 2300
Provo, UT 84606
Phone: (801) 851-8133

If to Agency:
Eagle Mountain Redevelopment Agency
Attn: Agency Board
1650 E. Stagecoach Run

Eagle Mountain, UT 84005
Phone: (801) 789-6603

Any party may from time to time, by written notice to the others as provided above, designate a different address which shall be substituted for that specified above. Notice sent by mail shall be deemed served or delivered seventy-two (72) hours after mailing. Notice by any other method shall be deemed served or delivered upon actual receipt at the address or facsimile number listed above. Delivery of courtesy copies noted above shall be as a courtesy only and failure of any party to give or receive a courtesy copy shall not be deemed to be a failure to provide notice otherwise properly delivered to a party to this Agreement.

13. **Entire Agreement.** This Agreement is the final expression of and contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior understandings with respect thereto. This Agreement may not be modified, changed, supplemented or terminated, nor may any obligations hereunder be waived, except by written instrument signed by the party to be charged or by its agent duly authorized in writing or as otherwise expressly permitted herein. This Agreement and its exhibits constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and the final, complete and exclusive expression of the terms and conditions thereof. All prior agreements, representations, negotiations and understandings of the parties hereto, oral or written, express or implied, are hereby superseded and merged herein.

14. **No Third Party Benefit.** The parties do not intend to confer any benefit hereunder on any person, firm or corporation other than the parties hereto. There are no intended third party beneficiaries to this Agreement.

15. **Construction.** Headings at the beginning of each paragraph and subparagraph are solely for the convenience of the parties and are not a part of the Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and the masculine shall include the feminine and vice versa. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this Agreement. In the event the date on which any of the parties is required to take any action under the terms of this Agreement is not a business day, the action shall be taken on the next succeeding business day.

16. **Partial Invalidity.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each such term and provision of this Agreement shall be valid and shall be enforced to the fullest extent permitted by law.

17. **Amendments.** No addition to or modification of any provision contained in this Agreement shall be effective unless fully set forth in writing executed by each of the parties hereto.

18. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

19. **Waivers.** No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

20. **Governing Law.** This Agreement and the exhibits attached hereto shall be governed by and construed under the laws of the State of Utah. In the event of any dispute hereunder, it is agreed that the sole and exclusive venue shall be in a court of competent jurisdiction in Utah County, Utah, and the parties hereto agree to submit to the jurisdiction of such court.

21. **Declaration of Invalidity.** In the event that a court of competent jurisdiction declares that the County cannot pay and/or that the Agency cannot receive payments of the Tax Increment, declares that the Agency cannot pay the Tax Increment to developers, or takes any other action which has the effect of eliminating or reducing the payments of Tax Increment received by the Agency, the Agency's obligation to pay the Tax Increment to developers shall be reduced or eliminated accordingly, the Agency, and the County shall take such steps as are reasonably required to not permit the payment and/or receipt of the Tax Increment to be declared invalid.

22. **No Separate Legal Entity.** No separate legal entity is created by this Agreement.

23. **Duration.** This Agreement shall terminate with respect to a particular Phase upon the expiration of each Tax Increment Period for such Phase but shall continue for all undeveloped Phases; provided, however, notwithstanding anything contained in this Agreement to the contrary, this Agreement shall terminate on December 31, 2059, unless sooner terminated.

24. **Assignment.** No party may assign its rights, duties or obligations under this Agreement without the prior written consent first being obtained from all parties. Notwithstanding the foregoing, such consent shall not be unreasonably withheld or delayed so long as the assignee thereof shall be reasonably expected to be able to perform the duties and obligations being assigned.

25. **Termination.** Upon any termination of this Agreement resulting from the uncured default of any party, the order of any court of competent jurisdiction or termination as a result of any legislative action requiring such termination, then any funds held by the Agency and for which the Agency shall not be required to disburse to developers in accordance with the agreements which govern such disbursement, then such funds shall be returned to the party originally remitting same to the Agency and upon such return this Agreement shall be deemed terminated and of no further force or effect.

26. **Interlocal Cooperation Act.** In satisfaction of the requirements of the Cooperation Act in connection with this Agreement, the Parties agree as follows:

- a. This Agreement has been, on or prior to the date hereof, authorized and adopted by resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5 of the Cooperation Act;
- b. This Agreement has been, on or prior to the date hereof, reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party pursuant to and in accordance with the provisions of Section 11-13-202.5(3) of the Cooperation Act;
- c. A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Cooperation Act;

- d. The Chair of the Agency is hereby designated the administrator for all purposes of the Cooperation Act, pursuant to Section 11-13-207 of the Cooperation Act; and
- e. Should a party to this Agreement desire to terminate this Agreement, in part or in whole, each party to the Agreement must adopt, by resolution, an amended Interlocal Cooperation Agreement stating the reasons for such termination. Any such amended Interlocal Cooperation Agreement must be in harmony with any development/participation agreement(s) entered into by the Agency as described in this Agreement.
- f. Immediately after execution of this Agreement by both Parties, the Agency shall, on behalf of both parties, cause to be published notice regarding this Agreement pursuant to Section 11-13-219 of the Cooperation Act.
- g. This Agreement makes no provision for the parties acquiring, holding and disposing of real and personal property used in the joint undertaking as such action is not contemplated as part of this Agreement nor part of the undertaking. Any such provision would be outside the parameters of the current undertaking. However, to the extent that this Agreement may be construed as providing for the acquisition, holding or disposing of real and/or personal property, all such property shall be owned by the Agency upon termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day specified above.

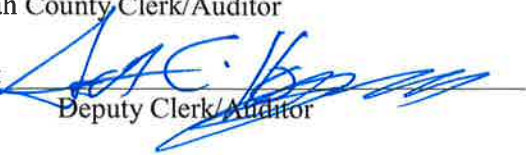
COUNTY:

BOARD OF COUNTY COMMISSIONERS,
UTAH COUNTY, UTAH



Nathan Ivie, Chairman

ATTEST:
BRYAN E. THOMPSON
Utah County Clerk/Auditor

By: 
Deputy Clerk/Auditor

APPROVED AS TO FORM:
JEFFREY R. BUHMAN
Utah County Attorney

By: 
Deputy County Attorney

AGENCY: EAGLE MOUNTAIN REDEVELOPMENT AGENCY

Attest:

By: _____

Its: Chair

Executive Director

Approved as to form:

Attorney for Agency

EXHIBIT "A"
to
INTERLOCAL AGREEMENT

Legal Description of Project

Serial number: 59:057:0003

Legal Description: NW 1/4 AND W 1/2 OF NE 1/4, SEC. 25, T6S, R2W, SLB&M. ALSO DESCRIBED AS:; COM FR W 1/4 COR. SEC. 25, T6S, R2W, SLB&M.; N 0 DEG 20' 51" E 2676.06 FT; S 88 DEG 58' 33" E 2671.21 FT; S 88 DEG 58' 30" E 1335.59 FT; S 0 DEG 54' 3" W 2663.6 FT; N 89 DEG 9' 8" W 3980.95 FT TO BEG. AREA 244.782 AC.

Serial number: 59:057:0004

Legal Description: SW 1/4 AND W 1/2 OF SE 1/4, SEC. 25, T6S, R2W, SLB&M. ALSO DESCRIBED AS:; COM FR W 1/4 COR. SEC. 25, T6S, R2W, SLB&M.; S 89 DEG 9' 8" E 3980.95 FT; S 0 DEG 55' 59" W 2657.55 FT; N 89 DEG 24' 13" W 1367.89 FT; N 89 DEG 21' 28" W 2582.02 FT; N 0 DEG 15' 59" E 2672.94 FT TO BEG. AREA 242.655 AC.

**EXHIBIT “B”
To
INTERLOCAL AGREEMENT**

Project Area Plan

DRAFT PROJECT AREA PLAN

SWEET WATER INDUSTRIAL PARK COMMUNITY REINVESTMENT AREA (CRA) #1

EAGLE MOUNTAIN REDEVELOPMENT AGENCY, UTAH



APRIL 2018

LEWIS  YOUNG
ROBERTSON & BURNINGHAM, INC.

GATEWAY PLAZA BUILDING - 41 N. RIO GRANDE, STE 101 - SALT LAKE CITY, UT 84101
P: 801-596-0700 - (TF) 800-331-1100 - (F) 801-596-2800 - WWW.LEWISYOUNG.COM



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Definitions

As used in this Community Reinvestment Project Area Plan, the term:

"Act" shall mean and include the Limited Purpose Local Government Entities – Community Reinvestment Agency Act in Title 17C, Chapters 1 through 5, Utah Code Annotated 1953, as amended, or such other amendments as shall from time to time be enacted or any successor or replacement law or act.

"Agency" shall mean the Eagle Mountain Redevelopment Agency, which is a separate body corporate and politic created by the City pursuant to the Act.

"Base taxable value" shall mean the agreed value specified in a resolution or interlocal agreement under Subsection 17C-1-102(8) from which tax increment will be collected.

"Base year" shall mean the agreed upon year for which the base taxable value is established and shall be incorporated into the interlocal agreements with participating taxing entities.

"Base taxable year" shall mean the Base Year during which the Project Area Budget is approved pursuant to Subsection 17C-1-102(9)(d).

"City" or "Community" shall mean the City of Eagle Mountain.

"Legislative body" shall mean the City Council of Eagle Mountain which is the legislative body of the City.

"Plan Hearing" shall mean the public hearing on the draft Project Area Plan required under Subsection 17C-1-102 (41) and 17C-5-104(3)(e).

"Project Area" shall mean the geographic area described in the Project Area Plan or draft Project Area Plan where the community development set forth in this Project Area Plan or draft Project Area Plan takes place or is proposed to take place (Exhibit A & Exhibit B).

"Net Present Value (NPV)" shall mean the discounted value of a cash flow. The NPV illustrates the total value of a stream of revenue over a number of years in today's dollars.

"Project Area Budget" shall mean (as further described under 17-C-5-303 of the Act) the multi-year projection of annual or cumulative revenues, other expenses and other fiscal matters pertaining to the Project Area that includes:

- ☞ the base taxable value of property in the Project Area;
- ☞ the projected tax increment expected to be generated within the Project Area;
- ☞ the amount of tax increment expected to be shared with other taxing entities;
- ☞ the amount of tax increment expected to be used to implement the Project Area plan;
- ☞ if the area from which tax increment is to be collected is less than the entire Project Area;



- the tax identification number of the parcels from which tax increment will be collected; or
- a legal description of the portion of the Project Area from which tax increment will be collected; and

☞ for property that the Agency owns and expects to sell, the expected total cost of the property to the Agency and the expected selling price.

“Project Area Plan” or “Plan” shall mean the written plan (outlined by 17C-5-105 of the Act) that, after its effective date, guides and controls the community reinvestment activities within the Project Area. Project Area Plan refers to this document and all of the attachments to this document, which attachments are incorporated by this reference. It is anticipated that the SWEET WATER INDUSTRIAL PARK #1 PLAN will be subject to an interlocal agreement process with the taxing entities within the Project Area.

“Taxes” includes all levies on an ad valorem basis upon land, local and centrally assessed real property, personal property, or any other property, tangible or intangible.

“Taxing Entity” shall mean any public entity that levies a tax on any property within the Project Area.

“Tax Increment” shall mean the difference between the amount of property tax revenues generated each tax year by all taxing entities from the Project Area using the current assessed value of the property and the amount of property tax revenues that would be generated from the same area using the base taxable value of the property.

“Tax Increment Period” shall mean the period of time in which the taxing entities from the Project Area consent that a portion of their tax increment from the Project Area be used to fund the objectives outlined in the Project Area Plan.

“Tax Year” shall mean the 12-month period between sequential tax roll equalizations (November 1st - October 31st) of the following year, e.g., the November 1, 2017 - October 31, 2018 tax year.



Introduction

The Eagle Mountain Redevelopment Agency (the "Agency"), following thorough consideration of the needs and desires of Eagle Mountain City (the "City") and its residents, as well as the City's capacity for new development, has carefully crafted this draft Project Area Plan (the "Plan") for the Sweet Water Industrial Park Community Reinvestment Project Area #1 (the "Project Area"). This Plan is the end result of a comprehensive evaluation of the types of appropriate land-uses and economic development for the land encompassed by the Project Area which lies within the southwest portion of the City, generally to the west of Lake Mountain Road, east of 1600 W, and to the north of 1000 North. The Plan is intended to define the method and means of the Project Area from its current state to a higher and better use.

The City has determined it is in the best interest of its citizens to assist in the development of the Project Area. It is the purpose of this Plan to clearly set forth the aims and objectives of development, scope, financing mechanism, and value to the residents of the City and other taxing entities within the Project Area.

The Project Area is being undertaken as a community reinvestment project area pursuant to certain provisions of Chapters 1 and 5 of the Utah Limited Purpose Local Governmental Entities -- Community Reinvestment Agency Act (the "Act", Utah Code Annotated ("UCA") Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed at all times throughout the establishment of the Project Area. The realization of the Plan is subject to interlocal agreements between the taxing entities individually and the Agency.

Resolution Authorizing the Preparation of a Draft Community Reinvestment Project Area Plan

Pursuant to the provisions of §17C-5-103 of the Act, the governing body of the Agency adopted a resolution authorizing the preparation of a draft Community Reinvestment Project Area Plan on April 3, 2018.

Recitals of Prerequisites for Adopting a Community Reinvestment Project Area Plan

In order to adopt a community reinvestment project area plan, the Agency shall;

- ☞ Pursuant to the provisions of §17C-5-104(1)(a) and (b) of the Act, the City has a planning commission and general plan as required by law;
- ☞ Pursuant to the provisions of §17C-5-104 of the Act, the Agency has conducted or will conduct one or more public hearings for the purpose of informing the public about the Project Area, and allowing public input into the Agency's deliberations and considerations regarding the Project Area; and
 - Pursuant to the provisions of §17C-5-104 of the Act, the Agency has allowed opportunity for input on the draft Project Area Plan and has made a draft Project Area Plan available to the public at the Agency's offices during normal business hours, provided notice of the plan hearing, sent copies of the draft Project Area Plan to all required entities prior to the hearing, and provided opportunities for affected entities to provide feedback.

Utah Code
§17C-5-104



UTAH CODE
§17C-5-105(1)

Description of the Boundaries of the Proposed Project Area

A legal description of the Project Area along with a detailed map of the Project Area is attached respectively as **Exhibit A** and **Exhibit B** and incorporated herein. The Project Area lies within the southwest portion of the City, generally to the west of Lake Mountain Road, east of 1600 W, and to the north of 1000 North. All of the land use in the project area is currently vacant. The Project Area is comprised of approximately 487 acres of property.

As delineated in the office of the Utah County Recorder, the Project Area encompasses all of the parcels detailed in **Table 1**.

TABLE 1: PARCEL LIST

Parcel Id	Parcel Owner	Acres
59:057:0003	Monte Vista Ranch LC	244.78
59:057:0004	Monte Vista Ranch LC	242.66
Total		487.44

UTAH CODE
§17C-5-105(1)

General Statement of Land Uses, Layout of Principal Streets, Population Densities, Building Densities and How They Will be Affected by the Project Area

General Land Uses

The property within the Project Area is currently classified as greenbelt property. The majority of the property surrounding the Project Area is also greenbelt.

Table 1 summarizes the approximate acreage of existing land uses by land use type.

TABLE 2: LAND USES

Type	Acres	% of Area
Greenbelt	487.44	100%
Total	487.44	100%

This Project Area Plan is consistent with the General Plan of the City and promotes economic activity by virtue of the land uses contemplated. Any zoning change, amendment or conditional use permit necessary to the successful development contemplated by this Project Area Plan shall be undertaken in accordance with the requirements of the City's Code and all other applicable laws including all goals and objectives in the City's General Plan.

Layout of Principal Streets

There are currently no paved streets within the Project Area, 1000 N., an unpaved road runs along the southern periphery of the Project Area.



Population Densities

There are no residences within the Project Area, therefore the estimated population density is 0.0 residents per acre.

Building Densities

Building densities will increase as development occurs. The intent of this plan is to promote greater economic utilization of the land area.

Impact of Community Development on Land Use, Layout of Principal Streets, and Population Densities

Community reinvestment activities within the Project Area will mostly consist of development and economic enhancement of an underutilized area of the City. The types of land uses will include: a data center and office building.

Land Use – It is anticipated that future development within the Project Area will create space for a data center, associated office building and other supplementary development that may take place during future phases of the development.

Layout of Principal Streets – It is anticipated that the community reinvestment of the Project Area will not alter the layout of principal streets in the area. It is anticipated that access roads will be constructed within the Project Area.

Population Densities – The Project Area does not include any residential components. The population density will not be affected by the Project Area. The daytime population of the City will slightly increase as the Project Area is anticipated to create approximately 50 new jobs.

UTAH CODE
§17C-5-105(c)

Standards Guiding the Community Reinvestment

In order to provide maximum flexibility in the development and economic promotion of the Project Area, and to encourage and obtain the highest quality in development and design, specific development controls for the uses identified above are not set forth herein. Each development proposal in the Project Area will be subject to appropriate elements of the City's proposed General Plan; the Zoning Ordinance of the City, including adopted Design Guidelines pertaining to the area; institutional controls, deed restrictions if the property is acquired and resold by the Agency, other applicable building codes and ordinances of the City; and, as required by ordinance or agreement, review and recommendation of the Planning Commission and approval by the Agency.

Each development proposal by an owner, tenant, participant or a developer shall be accompanied by site plans, development data and other appropriate material that clearly describes the extent of proposed development, including land coverage, setbacks, height and massing of buildings, off-street parking and loading, use of public transportation, and any other data determined to be necessary or requested by the Agency or the City.

UTAH CODE
§17C-5-105(d)

How the Purposes of this Title Will Be Attained By Community Development



It is the intent of the Agency, with the assistance and participation of private developers and property owners, to facilitate the development within the Project Area.

UTAH CODE
§17C-5-105(E)

Conformance of the Proposed Development to the Community's General Plan

The proposed Community Reinvestment Project Area Plan and the development contemplated are consistent with the City's proposed General Plan and land use regulations.

UTAH CODE
§17C-5-105(G)

Describe any Specific Project or Projects that are the object of the Proposed Community Reinvestment

The Project Area is being created in order to assist with the construction of a future data center facility and associated office.

UTAH CODE
§17C-5-105(H)

Method of Selection of Private Developers to undertake the Community Reinvestment and Identification of Developers Currently Involved in the Process

The City and Agency will select or approve such development as solicited or presented to the Agency and City that meets the development objectives set forth in this plan. The City and Agency retain the right to approve or reject any such development plan(s) that in their judgment do not meet the development intent for the Project Area. The City and Agency may choose to solicit development through an RFP or RFQ process, through targeted solicitation to specific industries, from inquiries to the City, EDC Utah, and/or from other such references.

The City and Agency will ensure that all development conforms to this plan and is approved by the City. All potential developers may need to provide a detailed development plan including sufficient financial information to provide the City and Agency with confidence in the sustainability of the development and the developer. Such a review may include a series of studies and reviews including reviews of the Developers financial statements, third-party verification of benefit of the development to the City, appraisal reports, etc.

Any participation between the Agency and developers and property owners shall be by an approved agreement.

UTAH CODE
§17C-5-105(I)

Reason for Selection of the Project Area

The Project Area is currently classified as greenbelt and is collecting relatively no tax revenue for the taxing entities. The creation of the Project Area will create a significant economic benefit to all taxing entities as this underutilized area will be developed to a higher and greater use.

Description of Physical, Social and Economic Conditions Existing in the Project Area

Physical Conditions

The Project Area consists of approximately 487 acres of relatively flat, privately owned land as shown on the Project Area map.

Social Conditions

The Project Area experiences a lack of connectivity and vitality. There are no residential units and no parks, libraries, or other social gathering places in the Project Area. This is in line with the contemplated uses of the area surrounding the Project Area, as the area surrounding the Project Area is currently under the greenbelt classification.

Economic Conditions

The Project Area is currently under greenbelt classification. The Agency wants to encourage development within the Project Area that will directly benefit the existing economic base of the City, Utah County and other taxing entities.

Description of any Tax Incentives Offered Private Entities for Facilities Located in the Project Area

Tax increment arising from the development within the Project Area shall be used for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land and job-oriented incentives, desirable Project Area improvements, and other items as approved by the Agency. Subject to provisions of the Act, the Agency may agree to pay for eligible costs and other items from taxes during the tax increment period which the Agency deems to be appropriate under the circumstances. A cost benefit analysis will assist the Agency in making decisions about offering assistance.

In general, tax incentives may be offered to achieve the community reinvestment goals and objectives of this plan, specifically to:

- ☐ Foster and accelerate economic development;
- ☐ Stimulate job development;
- ☐ Make needed infrastructure improvements to roads, street lighting, water, storm water, sewer, and parks and open space;
- ☐ Assist with property acquisition and/or land assembly; and
- ☐ Provide attractive development for high-quality tenants.

The Project Area Budget will include specific participation percentages and timeframes for each taxing entity. Furthermore, a resolution and interlocal agreement will formally establish the participation percentage and tax increment period for each taxing entity.



UTAH CODE
§17C-5-105(2)

Anticipated Public Benefit to be Derived from the Community Development

UTAH CODE
§17C-5-105(2)(ii)(A)

The Beneficial Influences upon the Tax Base of the Community

The beneficial influences upon the tax base of the City and the other taxing entities will include increased property tax revenues, job growth, and affordable housing opportunities in the community. The increased revenues will come from the property values associated with new construction in the area, as well as increased land values as the property within the Project Area will no longer be classified as greenbelt. Property values include land, buildings and personal property (machines, equipment, etc.).

Job growth in the Project Area will result in increased wages, increasing local purchases and benefiting existing businesses in the area. Job growth will also result in increased income taxes paid. Additionally, business growth will generate corporate income taxes.

There will also be a beneficial impact on the community through increased construction activity within the Project Area. Positive impacts will be felt through construction wages paid, as well as construction supplies purchased locally.

UTAH CODE
§17C-5-105(2)(ii)(B)

The Associated Business and Economic Activity Likely to be Stimulated

Other business and economic activity likely to be stimulated includes increased spending by new and existing residents within the City and employees in the Project Area and in surrounding areas. This includes both direct and indirect purchases that are stimulated by the spending of the additional employees in the area.

Employees may make some purchases in the local area, such as convenience shopping for personal services (haircuts, banking, dry cleaning, etc.). The employees will not make all of their convenience or personal services purchases near their workplace and each employee's purchasing patterns will be different. However, it is reasonable to assume that a percentage of these annual purchases will occur within close proximity of the workplace (assuming the services are available). The City also envisions this area as a future industrial park, this development will act as an anchor and likely attract new businesses to the area.

UTAH CODE
§17C-5-105(2)(C)

Efforts to Maximize Private Investment

The agency has formed a partnership with the developers to realize the vision of this project area. It is anticipated that the development will require over \$750,000,000 of private capital. Creating a CRA will act as a catalyst for the development.

UTAH CODE
§17C-5-105(2)(C)

"But For" Analysis

The anticipated development includes numerous costs, including land purchase, infrastructure and over \$375 million of personal property. "But-for" the creation of the CRA and public participation, the costs associated with the development would be too high, and the Project Area would remain in its underutilized state.



Cost/Benefit Analysis

Based on the land use assumptions and tax increment participation levels, the following tables outline the benefits anticipated in the Project Area. As shown below, the proposed community reinvestment will create a net benefit to the City and the other taxing entities that participate in the Project Area. The cost/benefit analysis only includes the tax increment projections on the first two phases of the development. The Agency may be allowed to receive 20 years of tax increment on each building that is constructed during the initial 20 year tax increment financing period. Each addition 20 year period will be negotiated and outlined in an amended interlocal agreement, as necessary.

TABLE 3: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Utah County	100% Personal Property 80% Real Property	20 Years	\$9,301,260	\$7,293,590
Alpine School District	100% Personal Property 80% Real Property	20 Years	85,573,980	67,102,904
Eagle Mountain City	100% Personal Property 80% Real Property	20 Years	12,071,340	9,465,751
Central Utah Water Conservancy District	100% Personal Property 80% Real Property	20 Years	4,776,000	3,745,104
Unified Fire District – Salt Lake County	100% Personal Property 80% Real Property	20 Years	21,599,460	16,937,234
Total Sources of Tax Increment Funds			\$133,322,040	\$104,544,582

TABLE 4: PROJECT AREA REVENUES

Entity	Property Tax	Franchise Tax	Total Tax Increment Revenues
Utah County	\$10,469,760	-	\$10,469,760
Alpine School District	96,324,480	-	96,324,480
Eagle Mountain City	13,587,840	359,982	13,947,822
Central Utah Water Conservancy District	5,376,000	-	5,376,000
Unified Fire District – Salt Lake County	24,312,960	-	24,312,960
Total Revenue	\$150,071,040	\$359,982	\$150,431,022

TABLE 5: PROJECT AREA EXPENDITURES

Entity	Property Tax	General Government	Public Safety	Public Works	Total Expenditures
Utah County	\$9,301,260	\$208,815	-	-	\$9,510,075
Alpine School District	85,573,980	931,374	-	-	86,505,354
Eagle Mountain City	12,071,340	423,378	351,458	671,337	13,517,513
Central Utah Water Conservancy District	4,776,000	140,497	-	-	4,916,497
Unified Fire District – Salt Lake County	21,599,460	522,278	-	-	22,121,738
Total Revenue	\$133,322,040	\$2,226,343	\$351,458	\$671,337	\$136,571,178

The total net benefit to the taxing entities of participating in the Project Area is \$13,859,844, with the City's net benefit being \$430,308¹.

¹ The net benefit does not include the \$13.32 million housing portion of tax increment that will be reinvested into the City. Including this increases the City's net benefit to \$13,752,512.



EXHIBIT A: Legal Description of Sweet Water Industrial Park CRA #1

Serial number: 59:057:0003

Legal Description: NW 1/4 AND W 1/2 OF NE 1/4, SEC. 25, T6S, R2W, SLB&M. ALSO DESCRIBED AS:; COM FR W 1/4 COR. SEC. 25, T6S, R2W, SLB&M.; N 0 DEG 20' 51" E 2676.06 FT; S 88 DEG 58' 33" E 2671.21 FT; S 88 DEG 58' 30" E 1335.59 FT; S 0 DEG 54' 3" W 2663.6 FT; N 89 DEG 9' 8" W 3980.95 FT TO BEG. AREA 244.782 AC.

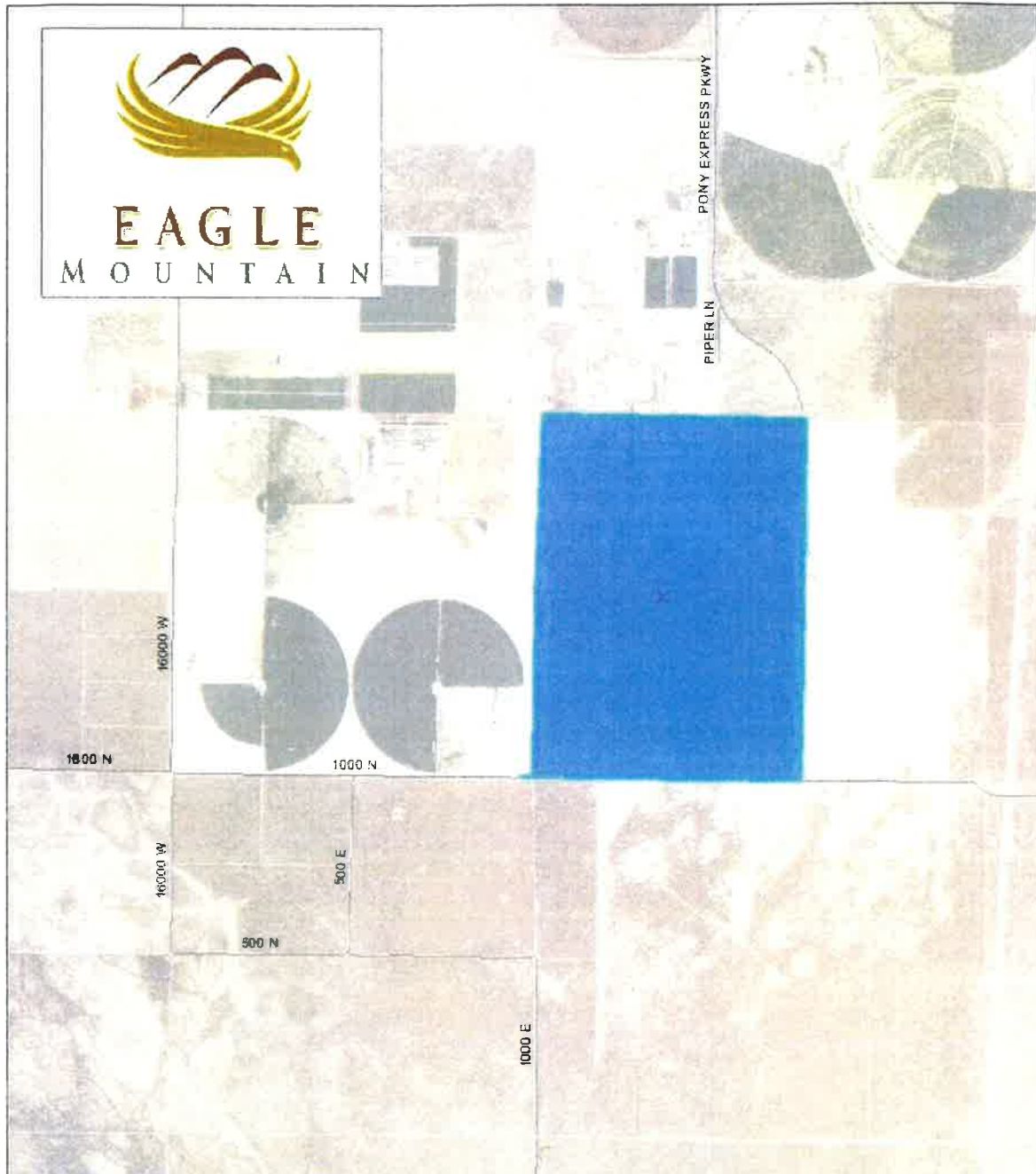
Serial number: 59:057:0004

Legal Description: SW 1/4 AND W 1/2 OF SE 1/4, SEC. 25, T6S, R2W, SLB&M. ALSO DESCRIBED AS:; COM FR W 1/4 COR. SEC. 25, T6S, R2W, SLB&M.; S 89 DEG 9' 8" E 3980.95 FT; S 0 DEG 55' 59" W 2657.55 FT; N 89 DEG 24' 13" W 1367.89 FT; N 89 DEG 21' 28" W 2582.02 FT; N 0 DEG 15' 59" E 2672.94 FT TO BEG. AREA 242.655 AC.



EXHIBIT B: Project Area Map

MAP OF PROPOSED PROJECT AREA BOUNDARIES



SWEET WATER INDUSTRIAL PARK CRA #1



Sweet Water Industrial Park Boundary

0 0.25 0.5 1 Miles

LEWIS YOUNG
ROBERTSON & BURNINGHAM, INC.



EXHIBIT "C"
To
INTERLOCAL AGREEMENT

Project Area Budget

DRAFT PROJECT AREA BUDGET

SWEET WATER INDUSTRIAL PARK COMMUNITY REINVESTMENT AREA (CRA) #1

EAGLE MOUNTAIN REDEVELOPMENT AGENCY, UTAH



APRIL 2018



LEWIS & YOUNG
ROBERTSON & BURNINGHAM, INC.

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Section 1: Introduction

The Eagle Mountain Redevelopment Agency (the "Agency"), following thorough consideration of the needs and desires of the City of Eagle Mountain (the "City") and its residents, as well as understanding the City's capacity for new development, has carefully crafted the Project Area Plan (the "Plan") for the Sweet Water Industrial Park Community Reinvestment Project Area #1 (the "Project Area"). The Plan is the end result of a comprehensive evaluation of the types of appropriate land-uses and economic development opportunities for the land encompassed by the Project Area which lies within the southwest portion of the City, generally to the west of Lake Mountain Road, east of 1600 W, and to the north of 1000 North.

The Plan is envisioned to define the method and means of development for the Project Area from its current state to a higher and better use. The City has determined it is in the best interest of its citizens to assist in the development of the Project Area. This **Project Area Budget** document (the "Budget") is predicated upon certain elements, objectives and conditions outlined in the Plan and intended to be used as a financing tool to assist the Agency in meeting Plan objectives discussed herein and more specifically referenced and identified in the Plan.

The creation of the Project Area is being undertaken as a community reinvestment project pursuant to certain provisions of Chapters 1 and 5 of the Utah Community Reinvestment Agency Act (the "Act", Utah Code Annotated ("UCA") Title 17C). The requirements of the Act, including notice and hearing obligations, have been observed at all times throughout the establishment of the Project Area.

Section 2: Description of Community Development Project Area

The Project Area lies west of Lake Mountain Road, east of 1600 W, and to the north of 1000 N, and is located within the City's southwestern boundaries. The property is currently under greenbelt classification and is generating very little tax revenue for the City and other taxing entities. The property encompasses approximately 487 acres of land.

A map of the Project Area are attached hereto in **EXHIBIT A**.



Section 3: General Overview of Project Area Budget

The purpose of the Project Area Budget is to provide the financial framework necessary to implement the Project Area Plan vision and objectives. The Project Area Plan has identified that tax increment financing is essential in order to meet the objectives of the CRA Project Area. The following information will detail the sources and uses of tax increment and other necessary details needed for public officials, interested parties, and the public in general to understand the mechanics of the Project Area Budget.

Base Year Value

The Agency has determined that the base year property tax value for the Project Area will be the total taxable value for the 2017 tax year which is estimated to be \$5,867. Using the tax rates established within the Project Area the property taxes levied equate to \$66 annually. Accordingly, this amount will continue to flow through to each taxing entity proportional to the amount of their respective tax rates being levied.

Payment Trigger

This Budget will have a twenty year (20) duration from the date of the first tax increment received by the Agency. The collection of tax increment will be triggered at the discretion of the Agency prior to March 1 of the tax year in which they intend to begin the collection of increment. The following year in which this increment will be remitted to the Agency will be Year 1, e.g., if requested prior to March 1, 2019, Year 1 of increment will be 2020. The Agency anticipates it will trigger the tax increment by March 1, 2021 but in no case will the Agency trigger the first tax increment collection after March 1, 2023.

Projected Tax Increment Revenue – Total Generation

Development within the Project Area will commence upon favorable market conditions which will include both horizontal and vertical infrastructure and development. The Agency anticipates that new development will begin in the Project Area in 2018. The contemplated development will generate significant additional property tax revenue as well as incremental sales and use tax above what is currently generated within the Project Area.

Property Tax Increment will begin to be generated in the tax year (ending Dec 1st) following construction completion and Tax Increment will actually be paid to the Agency in March or April after collection. It is projected that property Tax Increment generation within the Project Area could begin as early as 2019 or as late as 2020. It is currently estimated that during the 20-year life of the Project Area Budget, property Tax Increment could be generated within the Project Area in the approximate amount of \$150.07 million or at a net present value (NPV)¹ of \$102.44 million. This amount is over and above the \$1,310 of base taxes that the property would generate over 20 years at the \$66 annual amount it currently generates as shown in Table 4.1 below.

¹ Net Present Value of future cash flows assumes a 4% discount rate. The same 4% discount rate is used in all remaining NPV calculations. This total is prior to accounting for the flow-through of tax increment to the respective taxing entities.

Section 4: Property Tax Increment

Base Year Property Tax Revenue

The taxing entities are currently receiving - and will continue to receive - property tax revenue from the current assessed value of the property within the Project Area ("Base Taxes"). The current assessed value is estimated to be \$5,867. Based upon the tax rates in the area, the collective taxing entities are receiving \$66 in property tax annually from this Project Area. This equates to approximately \$1,310 over the 20-year life of the Project Area.

TABLE 4.1: TOTAL BASE YEAR TO TAXING ENTITIES (OVER 20 YEARS)

Entity	Total	NPV at 4%
Utah County	\$91	\$62
Alpine School District	841	571
Eagle Mountain City	119	81
Central Utah Water Conservancy District	47	32
Unified Fire Service Area – Salt Lake County	212	144
Total Revenue	\$1,310	\$890

Property Tax Increment Shared with RDA

All taxing entities that receive property tax generated within the Project Area, as detailed above, will share at least a portion of that increment generation with the Agency. All taxing entities will contribute 100% of their respective tax increment off of the personal property within the Project Area and 80% of their respective tax increment off of the real property for 20 years. The City, County and the State will *not* contribute any portion of their incremental sales tax to implement the Project Area Plan. The assumptions in this analysis only include the tax increment projections on the first two phases of the development. The Agency may be allowed to receive 20 years of tax increment on each building that is constructed during the initial 20 year tax increment financing period. Each additional 20 year period will be negotiated and outlined in an amended interlocal agreement, as necessary. Table 4.2 shows the amount of Tax Increment shared with the Agency assuming the participation levels discussed above.

TABLE 4.2: SOURCES OF TAX INCREMENT FUNDS

Entity	Percentage	Length	Total	NPV at 4%
Utah County	100% Personal Property 80% Real Property	20 Years	\$9,301,260	\$7,293,590
Alpine School District	100% Personal Property 80% Real Property	20 Years	85,573,980	67,102,904
Eagle Mountain City	100% Personal Property 80% Real Property	20 Years	12,071,340	9,465,751
Central Utah Water Conservancy District	100% Personal Property 80% Real Property	20 Years	4,776,000	3,745,104
Unified Fire Service Area – Salt Lake County	100% Personal Property 80% Real Property	20 Years	21,599,460	16,937,234
Total Sources of Tax Increment Funds			\$133,322,040	\$104,544,582

Uses of Tax Increment

The anticipated development includes numerous costs, including land purchase, infrastructure and over \$375 million of personal property. "But-for" the creation of the CRA and public participation, the costs associated with the development would be too high, and the Project Area would remain in its underutilized state.

The Agency will take a flat annual payment of \$5,000 to administer the CRA. The majority of the remaining Tax Increment collected by the Agency will be used to overcome the obstacles outlined above (90%). Including: offsetting certain on-site public infrastructure costs, development incentives, Agency requested improvements and upgrades, desirable Project Area improvements, and other redevelopment activities as approved by the Agency. The remaining 10% will go towards affordable housing, as required by the Act.

TABLE 4.3: USES OF TAX INCREMENT

Uses	Total	NPV at 4%
Redevelopment Activities	\$119,899,836	\$81,891,273
CRA Housing Requirement	13,322,204	9,099,030
Project Area Administration	100,000	67,952
Total Uses of Tax Increment Funds	\$133,322,040	\$91,058,255

A multi-year projection of tax increment is including in **EXHIBIT B**.

Total Annual Property Tax Revenue for Taxing Entities at Conclusion of Project

As described above, the collective taxing entities are currently receiving approximately \$66 in property taxes annually from this Project Area. At the end of 20 years an additional \$8,374,500 in property taxes annually is anticipated, totaling approximately \$8,374,566 in property taxes annually for the area. "But for" the assistance provided by the RDA through tax increment revenues, this momentous increase in property taxes generated for the taxing entities would not be possible.

TABLE 4.4: TOTAL BASE YEAR AND END OF PROJECT LIFE ANNUAL PROPERTY TAXES

Entity	Annual Base Year Property Taxes	Annual Property Tax Increment at Conclusion of Project	Total Annual Property Taxes
Utah County	\$5	\$584,250	\$584,255
Alpine School District	42	5,375,250	5,375,292
Eagle Mountain City	6	758,250	758,256
Central Utah Water Conservancy District	2	300,000	300,002
Unified Fire Service Area – Salt Lake County	11	1,356,750	1,356,761
Total Revenue	\$66	\$8,374,500	\$8,374,566



Section 5: Cost/Benefit Analysis

Additional Revenues

Other Tax Revenues

The development within the Project Area will also generate sales taxes, energy sales and use taxes for natural gas and telecommunications.

Table 5.1 shows the total revenues generated by the Project Area. This total includes the anticipated property tax increment and energy sales and use tax.

TABLE 5.1 TOTAL REVENUES

Entity	Property Tax	Franchise Tax	Total Incremental Revenues
Utah County	\$10,469,760	-	\$10,469,760
Alpine School District	96,324,480	-	96,324,480
Eagle Mountain City	13,587,840	359,982	13,947,822
Central Utah Water Conservancy District	5,376,000	-	5,376,000
Unified Fire Service Area – Salt Lake County	24,312,960	-	24,312,960
Total Revenue	\$150,071,040	\$359,982	\$150,431,022

Additional Costs

The development anticipated within the Project Area will also likely result in additional general government, public works, and public safety costs. These costs, along with the estimated budget to implement the Project Area Plan, are identified below.

TABLE 5.2 TOTAL EXPENDITURES

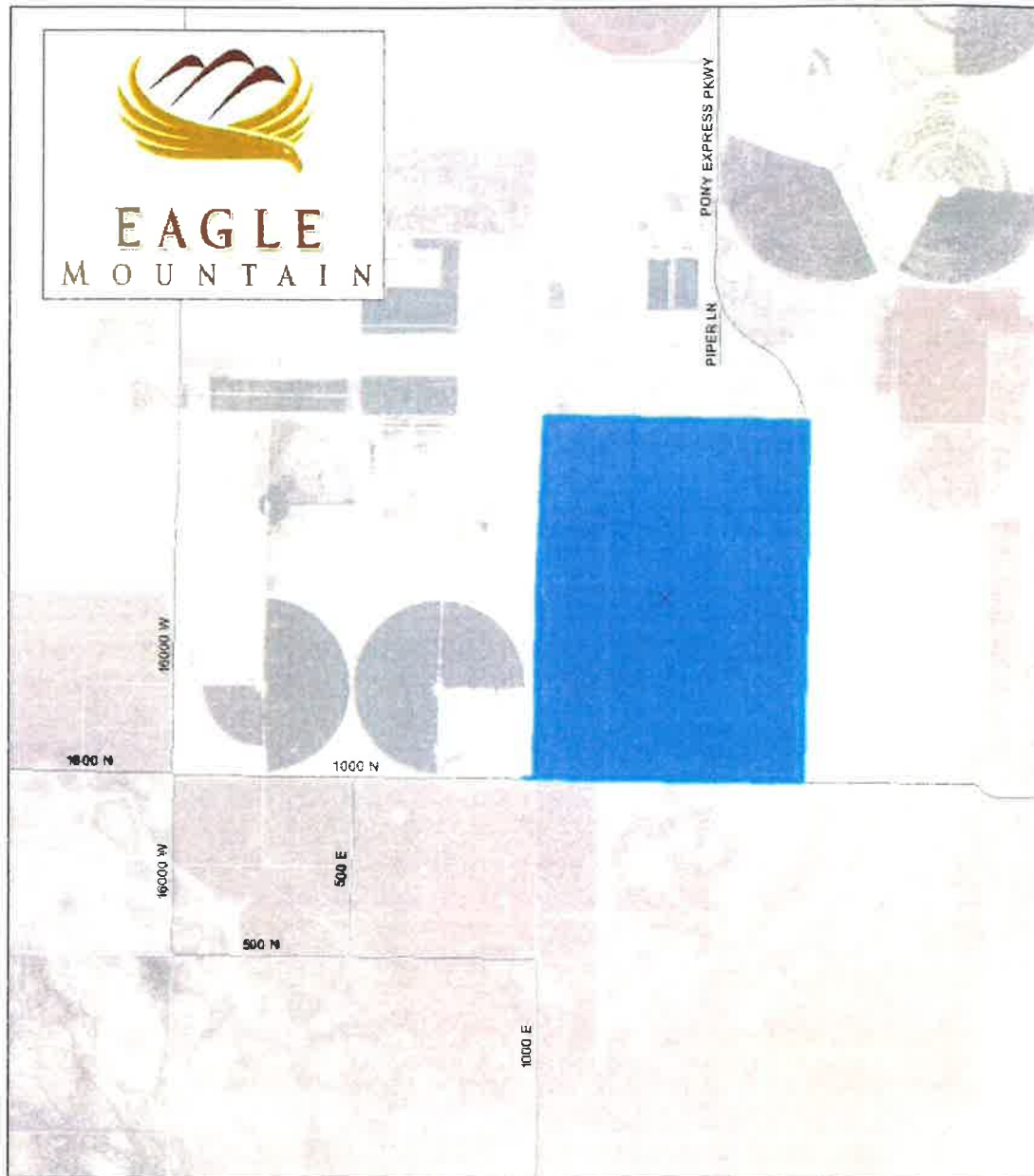
Entity	CRA Budget	General Government	Public Works	Public Safety	Total Incremental Expenditures
Utah County	\$9,301,260	\$208,815	-	-	\$9,510,075
Alpine School District	85,573,980	931,374	-	-	86,505,354
Eagle Mountain City	12,071,340	423,378	671,337	351,458	13,517,513
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Unified Fire Service Area – Salt Lake County	21,599,460	522,278	-	-	22,121,738
Total Expenditures	\$133,322,040	\$2,226,343	\$1,049,890	\$351,548	\$136,571,178

The total net benefit to the taxing entities of participating in the Project Area is \$13,859,844, with the City's net benefit being \$430,308².

² The net benefit does not include the \$13.32 million housing portion of tax increment that will be reinvested into the City. Including this increases the City's net benefit to \$13,752,512.



Exhibit A: Project Area Map



SWEET WATER INDUSTRIAL PARK CRA #1

 Sweet Water Industrial Park Boundary

0 0.25 0.5 1 Miles

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ROBERTSON & BURNINGHAM, INC.





Exhibit B: Multi-Year Budget

Eagle Mountain Redevelopment Agency

Sweet Water Industrial Park CRA #1
Increment and Budget Analysis

ASSUMPTIONS:	
Discount Rate	4.0%
Inflation Rate	0.0%

Payment Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	TOTALS	NPV
Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20		
INCREMENTAL TAX ANALYSIS																						
Cumulative Taxable Value																						
Real Property Value (Building & Land)																						
Personal Property Value	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00
Total Assessed Value	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00	\$375,000.00
Value of Current Property	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00
Less Base Year Value	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)
\$	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)	\$ (5,867)
\$	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00	\$190,000.00
TOTAL INCREMENTAL VALUE																						
2017 Rates & INCREMENTAL ANALYSIS																						
Utah County	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250	\$84,250
Alpine School District	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250	5,375,250
Eagle Mountain City	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250	750,250
Central Utah Water Conservancy District	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Unified Fire Service Area - Salt Lake County	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750	1,350,750
Totals:	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500	6,374,500
\$	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500
TOTAL INCREMENTAL REVENUE IN PROJECT AREA:																						
PROJECT AREA BUDGET																						
Percent of Fund:																						
Real Property Value (Building & Land)	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Personal Property Value	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Percent Tax Increment for Budget																						
Utah County	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825	\$250,825
Alpine School District	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725	\$4,837,725
Eagle Mountain City	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425	\$682,425
Central Utah Water Conservancy District	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Unified Fire Service Area - Salt Lake County	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075	\$1,221,075
Total Property Tax Increment for Budget	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050	\$7,537,050
\$	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500	\$2,374,500
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EXHIBIT "D"
To
INTERLOCAL AGREEMENT
Development Agreement

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of _____, 2018 (the "Effective Date") by and between EAGLE MOUNTAIN CITY, a municipal corporation of the State of Utah (the "City") and STADION LLC, a Delaware limited liability company (together with its affiliates and their respective successors and assigns, the "Company"). The City and the Company are sometimes referred to herein collectively as the "Parties" and each individually as a "Party".

RECITALS

A. The Company has the right to acquire certain real property consisting of approximately 487.5 acres of undeveloped land located in the City of Eagle Mountain, County of Utah, State of Utah, as more particularly described on Exhibit A hereto (the "Property").

B. If the Company acquires the Property, it has proposed to establish on the Property a multi-year, large-scale project that may include multiple phases extending over a period of years with the uses of one or more data centers and/or other facilities used to house, and in which are operated, maintained and replaced from time to time, computer systems and associated components, such as telecommunications and storage systems, cooling systems, power supplies and systems for managing property performance (including generators), and equipment used for the transformation, transmission, distribution and management of electricity (including substations), internet-related equipment, data communications connections, environmental controls and security devices, structures and site features, as well as certain accessory uses or buildings located on the Property and other related or associated uses, buildings or structures such as utility buildings, structures, improvements and appurtenants located on, adjacent or near the Property that are reasonably related to the data center(s) (collectively, the "Project").

C. The City finds developments such as the Project to be in the public interest of its citizens and thus desires to encourage and support the Project in order to recruit the Project to the City.

D. The Company anticipates that the Project will require a substantial, long-term commitment of capital and resources of the Company, as well as the careful integration of public capital facilities, construction schedules and the phasing of the development of the Project, in order for the Project to be successful, both for the Company and the City. The Company is unwilling to risk such capital and resources without sufficient assurances from the City that, among other things, (i) the Property has been adequately entitled and zoned to permit the development and operation of the Project, (ii) all required approvals and entitlements for the Project have been granted, (iii) subject to the terms set forth herein, the City will construct all necessary public infrastructure to facilitate and support the development and operation of the Project, (iv) the City zoning ordinances, including the development standards set forth therein, in existence as of the Effective Date and applicable to the Project will remain unchanged with respect to the Property and the Project during the Term (as defined below) and (v) the City is committed to facilitate and assist the Company in the development and operation of the Project.

E. The Parties desire to incorporate their understandings and the City's assurances with respect to the Project into this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the Company hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 “Applicable Rules” means all of the rules, regulations, ordinances and official policies of the City in force and effect as of the Effective Date, including the Code and the restrictions set forth in the Project Approvals, except as may be modified pursuant to Section 5.2.

1.2 “City Council” means the City Council and the legislative body of the City.

1.3 “City Representatives” means the City’s employees, contractors, subcontractors and agents retained or employed in connection with constructing the Infrastructure Improvements (as defined below).

1.4 “Code” means the Eagle Mountain Municipal Code (or any subsequent recodification of such ordinance).

1.5 “Company Representatives” means the Company’s employees, contractors, subcontractors and agents.

1.6 “Consolidated Fee Schedule” means the City’s Consolidated Fee Schedule adopted by Resolution R-15-2017, as amended.

1.7 “Construction Delay” means the City has failed to meet a deadline set forth in the Construction Schedule (as defined below), or the Company has reasonably determined that the City will fail to meet such a deadline.

1.8 “Construction Documents” means any and all contracts (including construction contracts), licenses, permits and insurance to which the City is a party or carries in connection with the construction of the Infrastructure Improvements.

1.9 “ERC” means Equivalent Residential Connection.

1.10 “Existing Roadway” means the existing roadway referred to as “Pony Express Parkway” and located within the municipal limits of the City, as depicted on Exhibit D.

1.11 “Existing Zoning” means the City’s Airpark Zone, with an overlay of the City’s Regional Technology and Industry Overlay Zone.

1.12 “Force Majeure Event” means a matter beyond the reasonable control of the Party to perform (excluding unfavorable economic conditions), including: acts of God, including earthquakes, fire, floods, tornados, hurricanes and extreme weather conditions; acts of terrorism; financial and/or banking crises that limit normal extensions of credit; civil disturbances; discovery of hazardous materials; and acts of the United States of America or the State of Utah.

1.13 “General Plan” means that certain Eagle Mountain City, General Plan, adopted November, 2005, or successor General Plan and Future Land Use and Transportation Corridors Map (General Plan Map 2), dated as of July 19, 2011, as amended.

1.14 “GFA” means gross floor area.

1.15 “Maximum Height” means one hundred feet (100’).

1.16 “Mining Activities” means exploring for, developing, extracting, removing, processing or otherwise producing sand, gravel, metalliferous or nonmetalliferous ores, oil, gas or any other mineral or earth product of whatever type from a property. Mining Activities do not include excavation, grading, geotechnical evaluation or similar activities conducted to construct buildings, install infrastructure or undertake other construction activities unrelated to the sale of earth products.

1.17 “Mortgage” means a mortgage, deed of trust, sale and leaseback or other form of secured financing.

1.18 “Mortgagee” means the holder of a Mortgage.

1.19 “Official Records” means the Official Records of Utah County, Utah.

1.20 “Parking Ratio” means (i) at least one (1) space for each seven hundred fifty (750) square feet of GFA for regular employee use areas (i.e. office space, kitchens, training areas, employee circulation, etc.) and one (1) space for each four thousand (4,000) square feet of GFA for data halls (not including penthouses used for mechanical equipment or air circulation) or (ii) the reasonable number of parking stalls, as determined by the Company and approved by the Design Review Committee of the City, to meet the requirements of the Project.

1.21 “Project Approvals” means the permits, approvals, reviews and other actions set forth on Exhibit B hereto.

1.22 “Taxes” means any and all taxes, special taxes, assessments, levies, impositions, duties, deductions, withholding, charges and fees, including those imposed with respect to any assessment districts, infrastructure financing, community facilities districts, community taxing districts, maintenance districts or other similar districts. Taxes do not include Impact Fees (as defined below).

1.23 “Triggering Event” means (i) any Construction Delay or (ii) the Company has reasonably determined that the City has failed to design or construct any Infrastructure Improvements substantially in accordance with this Agreement or any plans or specifications approved by the Company hereunder.

1.24 “Water and Sewer Agreement” means that certain Water and Sewer Agreement between the Company and the City, dated as of the Effective Date, pursuant to which the City agrees to provide water and sewer services to the Project, all as more particularly described therein.

1.25 “Zoning Ordinance” means that certain Title 17 of the Code.

ARTICLE II CITY PROCEDURES AND ACTIONS

The City Council, after conducting a duly-noticed public meeting, adopted Resolution No. R-09-2018 on May 15, 2018, effective immediately upon adoption, which resolution (i) confirmed the City Council’s approval of this Agreement and the City Council’s finding that the provisions of this Agreement are consistent with the General Plan and the Applicable Rules and (ii) authorized the execution of this Agreement. The City represents and warrants to the Company that (a) the City has the full power and authority to enter into this Agreement and to perform its obligations hereunder, (b)

this Agreement is a valid and binding obligation, enforceable against the City in accordance with the terms hereof and (c) the execution and delivery of this Agreement has been validly authorized by all necessary governmental or other action and does not conflict with any other agreements entered into by the City.

ARTICLE III CONSIDERATION

In order to ensure ample consideration and inducement to the City to enter into this Agreement, the Company has paid to the City the amount of Five Hundred and No/100 Dollars (\$500.00), which amount shall be non-refundable to the Company. The City believes that the Project will provide economic benefits to the City by stimulating economic growth in the region. The City is entering into this Agreement to recruit the Project to the City by providing certain benefits and assurances to the Company. The City understands that the Company would not develop the Project in the City without such benefits and assurances, which the Company is reasonably and in good faith relying on to independently evaluate the economic feasibility and commercial reasonability of developing and operating the Project in the City.

ARTICLE IV TAXES

4.1 Right to Oppose. The Company shall have the right, to the extent permitted by law, to protest, oppose and vote against any and all Taxes.

4.2 New Taxes. The City shall not during the Term recommend or support any new Taxes that are applicable solely and exclusively to the Project, the Property or the data center industry or with the express or inferred intent to specifically or inequitably target the Project, the Property or the data center industry.

4.3 Impact Fees.

(a) The Company acknowledges that the City may impose impact fees in connection with development activity on the Property to the extent required and calculated in accordance with this Agreement and the Applicable Rules. The City shall not impose any impact fees in connection with the Property, other than Culinary Water Impact Fees, Transportation Impact Fees, Sewer Impact Fees and, solely to the extent that storm water is not retained on the Property, Storm Drain Impact Fees, each as defined in the Consolidated Fee Schedule, in amounts not to exceed the amounts in place pursuant to the Applicable Rules as of the Effective Date (collectively, the "Impact Fees"). The City shall not impose any Impact Fees in connection with the Property for the Infrastructure Improvements.

(b) The Parties acknowledge and agree that certain of the Infrastructure Improvements to be completed by the City and paid by the Company in accordance with this Agreement represent "oversizing" required by the City or otherwise constitute improvements considered to be in the nature of "System Improvements", as defined in the Utah Impact Fees Act, Utah Code Ann., § 11-36a-101, et seq. (2017) (collectively, the "System Improvements"). The Parties agree that the estimated percentage of the Infrastructure Improvements represented by the System Improvements, separated by public facility type, are set forth on Exhibit E (each, a "System Improvement Percentage", and collectively, the "System Improvement Percentages"). The System Improvement Percentages are based on the estimated Infrastructure Improvements costs as set forth on Exhibit F (the "Estimated Infrastructure Costs"). The Estimated Infrastructure Costs include a secondary water system, a winter storage pond

upsizing and a secondary water pump, the viability and cost of which items the Parties are still investigating. Accordingly, the System Improvement Percentages shall be adjusted to the extent that any of the Infrastructure Improvements are not constructed, or the actual cost of the Infrastructure Improvements is not consistent with the Estimated Infrastructure Costs.

(c) The City shall reimburse the Company for any and all Construction Costs (as defined below) paid by the Company for the System Improvements (collectively, the “System Reimbursement”). The System Reimbursement shall be allocated by public facility type in accordance with the System Improvement Percentages. The City may pay the System Reimbursement to the Company in any manner reasonably approved by the Company and in accordance with the Applicable Rules, including by Direct Payment (as defined below), the Impact Fees Credits (as defined below), tax increment financing or other forms of reimbursement or any combination of the foregoing; provided that, in no event, shall the Company be entitled to duplicative reimbursement.

(d) In furtherance of the System Reimbursement, the Parties agree that the Company shall receive a credit against Impact Fees for each public facility type imposed in connection with development activity on the Property in an amount equal to the total Construction Costs paid by the Company multiplied by the System Improvement Percentage for such facility type (each, an “Impact Fees Credit”, and collectively, the “Impact Fees Credits”). The Company shall not be required to pay any Culinary Water Impact Fees, Transportation Impact Fees or Sewer Impact Fees, except to the extent that the amount of any such Impact Fee exceeds the amount of the Impact Fees Credit for such public facility type. Upon determination of the final Impact Fees Credits due to the Company, the monetary value of each Impact Fees Credit shall be assigned an ERC value based upon the Impact Fees charged by the City as of the Effective Date within the service area of which the Property is a part. The ERC value of each Impact Fee Credit shall be usable by the Company and any permitted assignee based upon its assigned ERC value, regardless of when the Impact Fees Credit is applied by the City at the request of the Company or its permitted assignee in satisfaction of impact fees otherwise payable to the City in cash in connection with a particular development activity and the amount of the City’s impact fees at the time of such application (i.e. the Parties agree that Company is pre-paying the City for the required system capacity expressed in its current ERC value, regardless of when that capacity is used and the then current fee for the same ERC value).

(e) Upon completion of the Infrastructure Improvements and payment of all Construction Costs due hereunder, the Company may, from time to time (i) transfer all or any portion of the Impact Fees Credits to any affiliate of the Company that owns real property within the municipal limits of the City or (ii) with the prior written consent of the City, which consent shall not be unreasonably withheld, conditioned or delayed, transfer all or any portion of the Impact Fees Credits to any other person or entity that owns real property within the Regional Technology and Industry Overlay Zone. The City shall thereafter apply such assigned Impact Fees Credits to the future facilities portion of the Impact Fees imposed in connection with development activity on such real property for the benefit of such person or entity, in accordance with this Section 4.3.

(f) If, (i) upon the Company’s written notice to the City that the Company has completed its initial build-out of the Property, the amount of the Impact Fees imposed for a particular public facility type in connection with development activity on the Property is less than the applicable Impact Fees Credit, or (ii) the Company at any time notifies the City that it will not be using its remaining unused Impact Fee Credits, then within one hundred and eighty (180) days following the City’s collection from time to time of Impact Fees assessed for such public facility type on any real property within the service area of which the Property is a part (each, an “Impact Fees Collection”), the City shall, subject to

any contractual or reimbursement obligations owed to third-parties as of the Effective Date, pay directly to the Company (each, a "Direct Payment") the total amount of each Impact Fees Collection until the City has paid to the Company a cumulative amount equal to the lesser of (a) the total monetary value of any un-used and non-assigned Impact Fees Credit of the applicable public facility type, and (b) the total System Reimbursement due for such public facility type. Notwithstanding the foregoing, if the City receives an Impact Fees Collection prior to the Company delivering to the City a notice under this section, then the City shall pay to the Company such Impact Fees Collection in the amount required hereunder within thirty (30) days following the Company's delivery of such notice.

(g) The City shall maintain an accurate and updated record of (i) the amount of total Construction Costs paid by the Company, (ii) the amount of the Impact Fees Credits, (iii) the amount of the Impact Fees Credits applied to Impact Fees imposed in connection with development activity on the Property or transferred pursuant to Section 4.3(e), (iv) the amount of any Impact Fees Credits tendered back to the City without application to development activity on the Property, and (v) the amount of the System Reimbursement paid to the Company (and the manner in which such System Reimbursement was paid), including any Impact Fees Credits and Direct Payments.

(h) For purposes of this Section 4.3, the amount of Construction Costs paid by the Company shall include (i) any and all Construction Costs reimbursed by the Company to the City (and any other amounts paid by the Company to the City for the Infrastructure Improvements) and (ii) any and all reasonable costs incurred by the Company in constructing the Subject Infrastructure (as defined below) pursuant to Section 6.3.

4.4 Building Permit and Inspection Fees. The Company acknowledges that the City will impose application fees, building permit and inspection fees, and plan check fees (together, "Building Fees") in connection with development activity on the Property to the extent required and calculated in accordance with this Agreement and the Applicable Rules.

4.5 Municipal Energy Tax Reimbursement.

(a) If the Company is required to pay a municipal energy sales and use tax (the "MET") pursuant to Chapter 3.10 of the Code, the City agrees to reimburse the Company the amount of MET paid by the Company as follows:

(i) If the total aggregated electric load used by the Company during the period for which reimbursement is requested (each, a "Reimbursement Period") is at least 15,000 kW, based on annual peak load, or if the Company's total aggregated electric load is expected to be at least 15,000 kW within the twenty-four (24) months following the Reimbursement Period, the City shall reimburse the Company for fifty percent (50%) of the MET paid by the Company for the Reimbursement Period; and

(ii) If the total aggregated electric load used by the Company during a Reimbursement Period is at least 15,000 kW, based on annual peak load, or if the Company's total aggregated electric load is expected to be at least 15,000 kW within the twenty-four (24) months following the Reimbursement Period, and if not less than fifty percent (50%) of such electrical load is produced or expected to be produced from a Renewable Energy Source (as such term is defined in Section 54-17-502, Utah Code Annotated), the City shall reimburse the Company for one hundred percent (100%) of the MET paid by the Company for the Reimbursement Period.

(b) The City shall reimburse the Company from MET collected by the City within thirty (30) days following the later to occur of the City's (i) receipt of a written request from the Company, which written request shall include evidence of the MET paid by the Company for the Reimbursement Period, and (ii) actual collection of MET paid by the Company for the Reimbursement Period. Each Reimbursement Period shall be not less than six (6) months and not more than twelve (12) months. The Company understands that the City's obligations hereunder are limited to the total amount of MET actually collected by the City and the City shall not be required to reimburse the Company from any of the City's funds other than those constituting MET collected by the City for the Project.

(c) The foregoing shall not in any way limit the Company's right to claim any exemption for the obligation to pay MET pursuant to applicable law, including any exemption of Section 10-1-304(4)(a) of the Utah Code Annotated.

ARTICLE V ENTITLEMENTS

5.1 Entitlement to Develop. The City represents to the Company that as of the Effective Date: (i) the Existing Zoning, the Parking Ratio and the Maximum Height apply to the Property pursuant to the Applicable Rules; (ii) electronic data management businesses, corporate campuses, offices, and research and development uses are expressly listed in the Zoning Ordinance as permitted uses under the Existing Zoning; (iii) no Applicable Rule prohibits, prevents or encumbers the development, completion, operation or occupancy of the Project or any portion thereof in compliance with the use, density, design, height, set back, parking and signage regulations and requirements and other development entitlements incorporated in the Project Approvals; and (iv) no Applicable Rule permits Mining Activities to be conducted on, under or within the Property, and Mining Activities are prohibited under the Existing Zoning pursuant to the Zoning Ordinance. The Company has the vested right to develop and operate the Project, including the right to maintain, remodel, renovate, rehabilitate, rebuild, replenish or replace the Project or any portion thereof (including any equipment used in operating the Project) throughout the Term for any reason, including in the event of damage, destruction or obsolescence of the Project or any portion thereof (including any equipment used in operating the Project), subject only to the Applicable Rules.

5.2 Changes in Applicable Rules. Subject to Section 5.10 below, no addition to, or modification of, the Applicable Rules, including any zoning, land use or building regulation, adopted or effective after the Effective Date, shall be applied to the Project or the Property, except changes to the Applicable Rules that are generally applicable on a City-wide basis and are updates or amendments to building, plumbing, mechanical, electrical, drainage or similar construction or safety related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization or by the state or federal governments. The Company may elect in its sole discretion, and upon written notice to the City, to have any other changes to the Applicable Rules apply to the Project or the Property or any portion thereof, in which case such addition or modification shall be deemed incorporated into the Applicable Rules with respect to the Project or the Property or such portion thereof, as applicable. The City represents to the Company that no Applicable Rule conflicts with the provisions of this Agreement. If applicable state or federal laws or regulations prevent or preclude compliance with one or more provisions of this Agreement, such provisions of this Agreement shall be modified or suspended as necessary to comply with such state or federal laws or regulations. The City shall not add or modify any Applicable Rule, including any zoning, land use or building regulation, with the express or inferred intent to specifically or inequitably target the Project, the

Property or the data center industry or in a manner that adversely affects the Project, the Property or the data center industry. City staff shall not support or initiate any zoning application or change to the Applicable Rules to (i) rezone any property adjacent to the Property to residential, unless such rezone is expressly conditioned on the recognition of the vested right to develop the Project and contains protections to assure that the Project is not required to eliminate or reduce the level of noise, light, traffic or other activity on or in the vicinity of the Property or (ii) allow any Mining Activities to be conducted on, under or within the Property.

5.3 Alternative Energy. The City acknowledges that the Company is exploring (but shall not be obligated to pursue) options to use alternative energy sources, including solar panels, geothermal cooling and wind energy, to operate the Project or a portion thereof. Subject to any height and noise restrictions in the Applicable Rules, the City represents to the Company that such alternative energy sources are permitted uses on the Property under the Applicable Rules.

5.4 Project Approvals. The City represents to the Company that the Project Approvals are the only permits, approvals, reviews and actions of the City (including any agencies, departments or other approving bodies thereof) that are required to commence and complete the development of the Project and the Infrastructure Improvements under the Applicable Rules. Nothing herein shall prohibit the Company from seeking other or further permits, approvals, reviews or other actions in connection with the Project or the Infrastructure Improvements as may be deemed necessary or desirable by the Company in its sole discretion. The City has taken all of the actions with respect to the Project Approvals indicated on Exhibit B and shall process any and all remaining Project Approvals in accordance with the timeframes set forth on Exhibit B.

5.5 Moratoria or Interim Control Ordinances. No ordinance, resolution, policy or other measure enacted after the Effective Date that relates directly or indirectly to the Project or to fees associated with or the timing, sequencing or phasing of the development or construction of the Project shall apply to the Property or this Agreement, unless it is (i) reasonably found by the City to be necessary to the public health and safety of the residents of the City and (ii) generally applicable on a City-wide basis (except to the extent necessary in the event of a natural disaster).

5.6 Timeframes and Staffing for Processing and Review. To the extent reasonably possible, the City shall expedite processing of all Project Approvals (including staff review and processing and actions by any boards and commissions) and any other approvals or actions requested by the Company in connection with the Project or the Infrastructure Improvements, provided that the Company shall be responsible for payment of any third-party fees or charges necessary to accomplish the expedited processing of Project Approvals. The City shall assign a building inspector dedicated to the prompt review of any and all plans and the prompt performance of any and all inspections required for the design, construction, development and occupancy of the Project or the Infrastructure Improvements. The City acknowledges and agrees that the Project is of sufficient size to meet the minimum requirements set forth in Section 17.48.030 of the Zoning Ordinance and confirms that the City will review the Project in accordance with the special approval process set forth in Section 17.48.030 of the Zoning Ordinance.

5.7 Other Approvals. The City shall assist and cooperate in good faith with the Company in connection with obtaining any (i) approvals and permits from other governmental or quasi-governmental agencies having jurisdiction over the Property, the Project or the Infrastructure Improvements and (ii) similar documents and instruments from third parties, as may be necessary or desirable in connection with the development or operation of the Project or the Infrastructure Improvements. Except for actions that require public hearings or noticing periods pursuant to state law (which actions the City shall take within

the minimum time periods required pursuant to state law), if City action is required in connection with obtaining any such approvals, permits, documents or instruments, the City shall take final action within ten (10) Business Days (as defined below) following its receipt of each such request; provided that such period shall be tolled for any period during which the City is awaiting revisions or additional information from the Company that are necessary to complete the City process.

5.8 Timing and Rate of Development. The Project may include multiple phases extending over a period of years. The City acknowledges that as of the Effective Date, the Company cannot predict if, when or at what rate the development of the Project will occur, which will depend upon numerous factors, including factors outside of the control of the Company, such as market orientation and demand, competition, availability of qualified laborers and weather conditions. Subject to the Project Approvals, the Company may develop the Project in such order and at such rate and times as the Company deems appropriate in its sole and absolute discretion, which the City agrees is consistent with the intent, purpose and understanding of the Parties. Nothing in this Agreement shall be construed to require the Company to proceed with developing the Project or any portion thereof.

5.9 Additional Property. This Agreement is hereby adopted and approved by the City to apply to any real property within the municipal limits of the City that is adjacent and contiguous to the Property (or that is separated from the Property only by roads, public rights of way, easements or similar land rights or uses) that the Company or an affiliate of the Company may from time to time acquire following the Effective Date (whether in one or more parcels, "Additional Property"), subject to the Zoning Ordinance in effect at the time of such acquisition, including any setback or buffering requirements in the Zoning Ordinance. If the Company or an affiliate of the Company acquires Additional Property, then automatically upon notice thereof to the City, this Agreement shall apply with respect to, and the definition of "Property" hereunder shall include, such Additional Property regardless of whether the legal description of such Additional Property is actually attached hereto.

5.10 Vested Rights Doctrine. Nothing in this Agreement shall limit the future exercise of the police power by the City in enacting zoning, subdivision, development, transportation, environmental, open space and related land use plans, policies, ordinances and regulations after the Effective Date. Notwithstanding the retained power of the City to enact such legislation under its police power, such legislation shall not modify the Company's vested right as set forth herein unless facts and circumstances are present which meet the exceptions to the vested rights doctrine as set forth in *Western Land Equities, Inc. v. City of Logan*, 617 P.2d 388 (Utah, 1988), its progeny or any other exception to the doctrine of vested rights recognized under state or federal law, including laws, rules or regulations that the City's land use authority finds, on the record, are necessary to avoid jeopardizing a compelling, countervailing public interest pursuant to Utah Code Ann., §10-9a-509(1)(a)(ii)(A) (2017).

ARTICLE VI INFRASTRUCTURE IMPROVEMENTS

6.1 Water and Sewer Improvements. The City acknowledges that water and sewer infrastructure capable of meeting the needs of the Project must exist and remain operational to allow for the successful development and operation of the Project, without which the Company would be unable to locate the Project on the Property. Promptly following the Effective Date, the City shall commence and thereafter use diligent efforts to complete the design and construction of certain improvements to the City's existing water and sewer infrastructure (as more particularly described on Exhibit C, the "Water

and Sewer Improvements”) in accordance with this Agreement, including the Construction Schedule, and the Water and Sewer Agreement.

6.2 Roadway Expansion.

(a) The City acknowledges that public roadways providing direct access to the Project must exist and remain adequately maintained to allow for the successful development and operation of the Project, without which the Company would be unable to locate the Project on the Property. Promptly following the Effective Date, the City shall commence and thereafter use diligent efforts to complete the design and construction of an expansion and extension of the Existing Roadway and any existing municipal utilities located therein (as more particularly described and shown on Exhibit D, the “Roadway Expansion”, and collectively with the Water and Sewer Improvements, the “Infrastructure Improvements”) in accordance with this Agreement, including the Construction Schedule, provided that all Roadway Easements (as defined below) have been delivered and recorded in the Official Records. The City shall use commercially reasonable efforts to cause the Roadway Easements to be delivered and recorded in the Official Records promptly following the Effective Date. The Roadway Expansion shall extend the Existing Roadway from its current southern terminus located within Utah County Parcel No. 59:056:0029 (the “Existing Roadway Parcel”), through the Property, to the southern boundary of the Property, along the eastern boundary of the Property, as depicted on Exhibit D. The portion of the Roadway Expansion that runs through the Property shall be designed so that future expansion of the Roadway Expansion can meet or exceed the criteria for designation as a “minor arterial road” under the Code to the extent possible. In addition, promptly following the Effective Date, the City shall use commercially reasonable efforts (which, if requested by Company, shall include an exercise of eminent domain if the City is unable to obtain the Porter Easement (as defined below) pursuant to a voluntary agreement with the owner of the Porter Property (as defined below)) to cause to be delivered and recorded in the Official Records a plat, deed, easement or other instrument necessary to grant to the City ownership of or the right to construct sixty-one feet (61’) of roadway from the northern boundary of Utah County Parcel No. 59:057:0002 (the “Porter Property”), through the Porter Property, to the southern boundary of the Porter Property, along the western boundary of the Porter Property (the “Porter Easement”) so that future expansion of the Roadway Expansion can be one hundred twenty-two feet (122’) in width and meet or exceed the criteria for designation as a “minor arterial road” under the Code. The City shall accept dedication of the Existing Roadway and the Roadway Expansion for public use as part of the Project Approvals in accordance with this Agreement and the timeframes set forth on Exhibit B. Promptly following the Company’s request therefor, the City shall grant to the Company an easement, license or other similar rights, in form and substance acceptable to the Company in its reasonable discretion, on, under and within any real property within the Existing Roadway Parcel that has been dedicated to or is otherwise owned or controlled by the City in order to allow the Company and the Company Representatives to construct and maintain a temporary extension of the Existing Roadway from its current southern terminus within the Existing Roadway Parcel to the southern boundary of the Existing Roadway Parcel until the Roadway Expansion has been completed. “Roadway Easements” means any and all plats, deeds, easements or other instruments in form and substance reasonably acceptable to the City that are necessary, and collectively sufficient, to allow the City to construct the Roadway Expansion. Without relieving the City of any of its obligations hereunder, the Company may, in its sole discretion, take reasonable actions to obtain the Roadway Easements and/or the Porter Easement on behalf of the City or provide other assistance related thereto. The City acknowledges and agrees that (a) the Porter Easement is not a Roadway Easement and (b) the plat of the Property delivered by the Company to the City prior to the Effective Date, once delivered and recorded in the Official Records, shall be sufficient, and the only Roadway Easement necessary, to allow the City to construct the Roadway Expansion on the Property. The City shall grant to the Company any and all rights of access, ingress and egress over, on

and through any real property owned by or dedicated to the City within the Property or the Existing Roadway Parcel that the Company determines from time to time are reasonably necessary or desirable in connection with the development or operation of the Project, which obligation may require the City to deliver and record in the Official Records easements or other instruments in form and substance acceptable to the Company in its sole discretion.

(b) The City acknowledges that the Company will need to rely solely on the Existing Roadway and the Roadway Expansion for access to the Property, including during construction of the Project, and without such access, the Company would be unable to locate the Project on the Property. The City shall not abandon, vacate or close any existing City roadways necessary to provide access to the Property, unless the City first provides reasonable alternative access to the Property. In addition, the City shall make reasonable efforts to ensure that routine maintenance and construction on roadways that serve as the only public access to the Property are done in a manner as to not unreasonably restrict or delay access to the Property.

6.3 Construction.

(a) The City shall, and shall cause the City Representatives to, construct the Infrastructure Improvements: (i) in accordance with plans and specifications reasonably approved by the Company; (ii) in accordance with the schedule set forth on Exhibit C (with respect to the Water and Sewer Improvements) and the schedule set forth on Exhibit D (with respect to the Roadway Expansion) or as the Parties may otherwise agree to in writing from time to time (the “Construction Schedule”); (iii) in such a manner as to maintain harmonious labor relations and as not to interfere with or delay any work on the Project to be performed by the Company or Company Representatives; and (iv) in such a manner that the Company and Company Representatives shall have reasonable vehicular and pedestrian access to the Property via public rights of way or any easements of record at all times. The City shall, and shall cause the City Representatives to, act in a commercially reasonable manner and endeavor in good faith to ensure the timely progression of construction of the Infrastructure Improvements. The City shall deliver to the Company regular updates (not less than biweekly or more often upon request of the Company) regarding the progress of and schedule for completion of the Infrastructure Improvements, including whether the City anticipates any delays caused by weather conditions or Force Majeure Events.

(b) Notwithstanding anything to the contrary contained in Section 9.1 or Section 9.2, if a Construction Delay occurs, then the Company may, in its sole discretion, immediately direct the City to take any additional measures (“Extraordinary Measures”) available to the City under the Construction Documents, in which case the City shall undertake such Extraordinary Measures. Extraordinary Measures may include ordering City Representatives to take corrective measures necessary to expedite the progress of the work, including (i) working additional shifts or overtime, (ii) supplying additional manpower, equipment and facilities and (iii) taking similar measures. The City shall ensure that it has the right to take Extraordinary Measures (including, at least, those described in the preceding sentence) under the Construction Documents. Extraordinary Measures shall continue until the progress of the construction of the Infrastructure Improvements is in accordance with or ahead of the Construction Schedule. The Company’s right to require Extraordinary Measures is solely for the purpose of ensuring compliance with the Construction Schedule. The City shall cooperate with the Company in good faith to cause the commencement, progress and completion of the Infrastructure Improvements by the dates set forth in the Construction Schedule.

(c) Notwithstanding anything to the contrary contained in Section 9.1 or Section 9.2, if a Triggering Event occurs, then the Company may, in its sole discretion, immediately upon notice to the

City thereof, enter into possession of the Infrastructure Improvements that are the subject of such Triggering Event (the "Subject Infrastructure") and the real property upon which the Subject Infrastructure is located (collectively with the Subject Infrastructure, the "Subject Property") and construct, or cause Company Representatives to construct, the Subject Infrastructure. Upon receipt of such notice, the City shall take all steps reasonably necessary to permit the Company and Company Representatives to: (i) access and take possession of the Subject Property; and (ii) fully assume all of the City's rights to property and lands, rights under the Construction Documents and other rights in connection with the construction and completion of the Subject Infrastructure. The City shall (a) ensure that it has the unrestricted right under the Construction Documents to assign the Construction Documents to the Company and (b) reasonably cooperate with the Company to transition the construction of the Subject Improvements to the Company. Within a reasonable period of time following the completion of the Subject Infrastructure, the Company shall transfer to the City the Subject Property for regular operation and maintenance in accordance with this Agreement and the Water and Sewer Agreement.

6.4 Bid and Construction Documents Review. From and after the Effective Date, prior to advertising for bid any portion of the Infrastructure Improvements, the City shall provide to the Company a complete copy of the bid documents to be advertised, which the Company shall review and provide any comments to within a commercially reasonable period of time. The City shall deliver to the Company all bids received for the design and construction of the Infrastructure Improvements (collectively, the "Infrastructure Improvement Bids") and Construction Documents promptly following the City's receipt thereof. The City shall not award any Infrastructure Improvement Bids or enter into any Construction Documents before obtaining the Company's written approval thereof, which Infrastructure Improvement Bids or Construction Documents the Company shall review within a commercially reasonable time following the Company's receipt thereof. The City shall not amend or modify any Construction Documents without obtaining the Company's prior written approval. In addition, the City shall notify the Company of any change order related to the Infrastructure Improvements within five (5) business days following the City's receipt of such change order, and the City shall obtain written approval of the Company prior to the City approving any change order that increases the applicable contract amount by more than fifteen (15%) of the original amount.

6.5 Reimbursement for Construction Costs. The Company shall reimburse the City for the reasonable costs actually incurred by the City in constructing the Infrastructure Improvements in accordance with this Agreement, including (i) all construction costs, (ii) all third-party engineer, design and construction management costs, (iii) costs incurred in accordance with the Applicable Rules and previously approved by the Company for the City to acquire the Porter Easement by eminent domain or otherwise pursuant to Section 6.2(a) ("Land Acquisition Costs") and (iv) reasonable administrative fees actually incurred by the City in an amount not to exceed three percent (3%) of hard construction costs (collectively, "Construction Costs"). The Company shall reimburse the City for Construction Costs for which the City has been invoiced and has actually paid within thirty (30) days following the City's request therefor (a "Reimbursement Request"). The City shall not make more than one (1) Reimbursement Request in any thirty (30) day period. Each Reimbursement Request shall include such invoices and any other supporting documentation reasonably requested by the Company. Construction Costs shall exclude (a) any costs of the Roadway Expansion reasonably attributable to any portion of the Roadway Expansion constructed on the Porter Property and (b) any costs in excess of the costs for each component of the Infrastructure Improvements set forth in the applicable Construction Documents, except to the extent approved by the Company or allowed pursuant to Section 6.4.

6.6 Power. The Company may, or cause Rocky Mountain Power to, construct and maintain above-ground distribution power lines and structures in connection with the development of the Project

(collectively, the “Overhead Power Lines”), without obtaining any variance or further documentation from the City. The City acknowledges and agrees that no variance is required for the Overhead Power Lines because the Overhead Power Lines are permitted under the Applicable Rules due to the temporary nature of the Overhead Power Lines.

6.7 Fiber Service. At no cost to the Company, the City hereby grants to the Company in perpetuity the right, privilege and authority to construct, maintain, operate, upgrade and relocate a dedicated fiber network, including underground conduits and structures, for fiber service to the Property in, under, along and through the present and future streets, alleys, public utility easements and public ways and public places (collectively, the “Public Ways”). The right to use and occupy the Public Ways shall be non-exclusive, and the City reserves the right to use the Public Ways for itself or any other entity that provides service to residences within the municipal limits of the City. The Company shall, prior to commencing new construction in the Public Ways (“Public Ways Construction”), submit to the City an application (a “Public Ways Application”) for a permit (a “Public Ways Permit”) for such Public Ways Construction. The City shall review and approve any Public Ways Application and issue the applicable Public Ways Permit as part of the Project Approvals in accordance with this Agreement and in any case within ten (10) days following submission of such Public Ways Application, and the City shall not be unreasonably condition any Public Ways Permit. In performing Public Ways Construction, the Company will abide by the Applicable Rules, and the City may reasonably inspect the manner of such Public Ways Construction to assure compliance with the Applicable Rules. If, during the course of Public Ways Construction, the Company, or any contractor or entity working on behalf the Company to install the fiber network, causes damage to or alters the Public Ways or public property in a manner not permitted hereunder, the Company shall (at its own cost and expense and in a manner reasonably approved by the City) replace and restore such damaged or altered property in as good a condition as existed before such Public Ways Construction commenced. Notwithstanding anything to the contrary contained in Section 9.1, (i) if the Company fails to cure a default of its obligations under this Section 6.7 within the applicable cure period under Section 9.1, then the City’s sole and exclusive remedy under this Agreement shall be to seek damages from the Company, subject to Section 9.3, or specific performance of the Company’s obligations under this Section 6.7, and (ii) the City shall not have the right to terminate this Agreement as the result of any default by the Company of its obligations under this Section 6.7.

ARTICLE VII MORTGAGES

7.1 Mortgages. This Agreement shall not prevent or limit the Company from encumbering the Property or any estate or interest therein, portion thereof, or any improvement thereon, in any manner whatsoever by one or more Mortgages with respect to the construction, development, use or operation of the Project or any portion thereof. The City acknowledges that Mortgagees may require certain interpretations and modifications of this Agreement. Upon the Company’s request from time to time, the City shall meet with the Company and such Mortgagees to negotiate in good faith any such requests for interpretation or modification. The City shall not unreasonably withhold its consent to any such requested interpretation or modification that is consistent with the intent and purposes of this Agreement.

7.2 Mortgagee Not Obligated. A Mortgagee shall not have any obligation or duty to perform pursuant to the terms set forth in this Agreement.

7.3 Mortgagee Notice and Cure Rights. If requested in writing by a Mortgagee, the City shall deliver to such Mortgagee any notice of default delivered to the Company hereunder. A Mortgagee

shall have the right, but not the obligation, to cure such default within thirty (30) days after such Mortgagee receives such notice, during which period the City shall not exercise any remedies hereunder.

7.4 Disaffirmation. If this Agreement is terminated with respect to a portion of the Property by reason of any default by the Company or as a result of a bankruptcy proceeding of the Company, or if this Agreement is disaffirmed by a receiver, liquidator or trustee for the Company or its property, then the City, if requested by a Mortgagee, shall negotiate in good faith, with the most senior requesting Mortgagee, a new development agreement for the Project as to such portion of the Property. This Agreement does not require any Mortgagee or the City to enter into a new development agreement pursuant to this Section 7.4.

ARTICLE VIII TERM

The term of this Agreement (the “Term”) shall commence on the Effective Date and continue for a period of forty (40) years. The Company may at any time and for any reason terminate this Agreement automatically upon notice thereof to the City.

ARTICLE IX THIRD PARTY TRANSACTIONS

8.1 Estoppel Certificate. At any time, and from time to time, either Party may deliver written notice to the other Party requesting that such other Party certify in writing, to the knowledge of the certifying Party: (i) that this Agreement is in full force and effect and a binding obligation of the Parties; (ii) that this Agreement has not been amended or modified, or if amended or modified, a description of each such amendment or modification; (iii) that the requesting Party is not then in breach of this Agreement, or if in breach, a description of each such breach; (iv) that the Infrastructure Improvements have been completed, or if not completed, a description of each component of the Infrastructure Improvements that has not been completed; (v) that all Construction Costs have been incurred and paid by the City (if true), and the amount of all Construction Costs incurred and paid by the City; (vi) that all Construction Costs have been reimbursed by the Company to the City (if true), and the amount of any and all Construction Costs reimbursed by the Company to the City (and any other amounts paid by the Company to the City for the Infrastructure Improvements); (vii) the matters required to be recorded by the City pursuant to Section 4.3(d); and (viii) any other factual matters reasonably requested (an “Estoppel Certificate”). The City Manager, or such other person(s) authorized by the City Council may execute, on behalf of the City, any Estoppel Certificate requested by the Company that is consistent with this Section 8.1. The City acknowledges that an Estoppel Certificate may be relied upon by transferees or successors in interest to the Company and by Mortgagees holding an interest in the Property.

8.2 No Third Party Beneficiaries. The only parties to this Agreement are the City and the Company. There are no third party beneficiaries under this Agreement, and except for assignees and successors-in-interests to either Party, this Agreement shall not be construed to benefit or be enforceable by any other party whatsoever.

ARTICLE X DEFAULT AND REMEDIES

9.1 Generally. In the event of a default of this Agreement, the non-defaulting Party may provide written notice of the default to the defaulting Party and specify a period of not less than fifteen

(15) days during which the defaulting Party shall have the right to cure such default; provided, however, that such cure period may be extended if (i) the default cannot reasonably be cured within the cure period provided in such notice, (ii) the curing Party notifies the non-defaulting Party of such fact by no later than the end of the cure period provided in the notice, (iii) the curing Party has theretofore been diligent in pursuing the cure and (iv) the curing Party in such extension notice covenants to (and thereafter actually does) diligently pursue the cure to completion. Without limiting Section 6.3, if the defaulting Party fails to cure the default within such cure period, the non-defaulting Party may either (a) terminate this Agreement or (b) enforce this Agreement by the additional remedies set forth below.

9.2 Company's Additional Remedies Upon Default by City. The Company's sole and exclusive remedy under this Agreement for a default by the City shall be specific performance of the rights granted in this Agreement and City's obligations under this Agreement.

9.3 CONSEQUENTIAL DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY, ITS SUCCESSORS OR ASSIGNS, FOR ANY INDIRECT, SPECIAL, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, COSTS OF DELAY, OR LIABILITIES TO THIRD PARTIES.

ARTICLE XI MISCELLANEOUS

10.1 Force Majeure. If due to the occurrence of a Force Majeure Event a Party is unable to meet any obligation hereunder, then the deadline for performing such obligation shall be automatically extended by one (1) day for each day of such Force Majeure Event; provided that such Party shall diligently and in good faith act to the extent within its power to remedy the circumstances of such Force Majeure Event affecting its performance or to complete performance in as timely a manner as is reasonably possible. The occurrence of a Force Majeure Event shall not cause any change to or extension of the Construction Schedule, or any portion thereof, or extend the deadlines, milestones or other dates set forth therein.

10.2 Recitals. The recitals of this Agreement are material terms hereof and shall be binding upon the Parties.

10.3 Notice. Whenever any notice is required or permitted under this Agreement, it shall be in writing and shall be delivered personally, with acknowledgment of receipt being obtained by the delivering Party, or by U.S. Certified Mail, return receipt requested, or by overnight delivery service by a reliable company, such as Federal Express or United States Parcel Service. Until further notification by written notice in the manner required by this Section 10.3, notices to the Parties shall be delivered as follows:

City: Eagle Mountain City
Attn: City Recorder
1650 E. Stagecoach Run
Eagle Mountain, UT 84005

Company: Stadion LLC

If notice is given by U.S. Certified Mail, then the notice shall be deemed to have been given on the second (2nd) Business Day after the date the envelope containing the notice is deposited in the U.S. Mail, properly addressed to the Party to whom it is directed, postage prepaid. Notice made by personal delivery or overnight delivery shall be deemed given when received.

10.4 Assignment. The Company may assign its rights and obligations under this Agreement to any (i) affiliate controlling, controlled by or under common control with the Company (and upon such assignment the assigning entity shall be relieved of its covenants, commitments and obligations hereunder) or (ii) subsequent owner of all or any portion of the Property. If the Company sells the Property in its entirety and assigns its rights and obligations hereunder to its successor in title to the Property, then the Company shall be relieved of all of its covenants, commitments and obligations hereunder.

10.5 Run with the Land. This Agreement shall run with the Property and any portion thereof as it may be subdivided or recombined. The Company shall record in the Official Records a memorandum of this Agreement in a form acceptable to the City and the Company setting forth the existence of this Agreement.

10.6 Entire Agreement. This Agreement, including all Exhibits attached hereto, contains the entire agreement between the Parties regarding the subject matter hereof, and all prior or contemporaneous communications or agreements between the Parties or their respective representatives with respect to the subject matter herein, whether oral or written, are merged into this Agreement and extinguished. Except for the Company's right to modify the description of the Property from time to time as set forth in Section 5.9, no agreement, representation or inducement shall be effective to change, modify or terminate this Agreement, in whole or in part, unless in writing and signed by the Party or Parties to be bound by such change, modification or termination. If any term or provision of this Agreement or any application thereof shall be unenforceable, the remainder of this Agreement and any other application of any such term or provision shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. The Parties acknowledge and agree that this Agreement represents a negotiated agreement, having been drafted, negotiated and agreed upon by the Parties and their respective legal counsel. Therefore, the Parties agree that the fact that one Party or the other Party may have been primarily responsible for drafting or editing this Agreement shall not, in any dispute over the terms of this Agreement, cause this Agreement to be interpreted against such Party. It is the Parties' collective intention to encourage, promote and aid the Project so that the opportunities and positive community impacts of the Project are fully realized by the City, its citizens and the Company.

10.7 Waivers. Neither Party may waive any condition or breach of any representation, term, covenant or condition of this Agreement, except in a writing signed by the waiving Party and specifically describing the condition or breach waived. The waiver by either Party of any condition or breach of any representation, term, condition or covenant contained in this Agreement shall not be deemed to be a waiver of any other representation, term, condition or covenant or of any subsequent breach of the same or of any other representation, term, condition or covenant of this Agreement.

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

10.9 Interpretation. The section headings of this Agreement are for convenience of reference only and shall not be deemed to modify, explain, restrict, alter or affect the meaning or interpretation of

any provision hereof. Whenever the singular number is used, and when required by the context, the same includes the plural, and the masculine gender includes the feminine and neuter genders. All references herein to "Section" or "Exhibit" reference the applicable Section of this Agreement or Exhibit attached hereto; and all Exhibits attached hereto are incorporated herein and made a part hereof to the same extent as if they were included in the body of this Agreement. The use in this Agreement of the words "including", "such as" or words of similar import when used with reference to any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific terms, statements or matters, unless language of limitation, such as "and limited to" or words of similar import are used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such term, statement or matter.

10.10 Counterparts. This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the Parties in separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. A scanned or photocopy signature on this Agreement, any amendment hereto or any notice delivered hereunder shall have the same legal effect as an original signature.

10.11 Business Days. As used herein, the term "Business Day" shall mean a day that is not a Saturday, Sunday or legal holiday in the State of Utah. All other references to "days" hereunder shall mean calendar days. If the date for the performance of any covenant or obligation under this Agreement shall fall on a Saturday, Sunday or legal holiday in the State of Utah, then the date for performance thereof shall be extended to the next Business Day.

10.12 Effect on Other Vested Rights. This Agreement does not abrogate any rights established or preserved by any applicable law, or by the Water and Sewer Agreement or by any other agreement or contract executed by the City and the Company in connection with the Project, or that have vested or may vest pursuant to common law or otherwise.

10.13 Confidential Information. The Company may designate any trade secrets or confidential business information included in any report or other writing delivered to the City pursuant to or in connection with this Agreement by any method intended to clearly set apart the specific material that the Company claims to be either its trade secrets or confidential business information that, if released, would give an advantage to competitors or result in unfair competitive injury to the Company (such information, collectively, "Confidential Business Information"). For the avoidance of doubt, all building plans shall be deemed Confidential Business Information. The City shall redact or delete any Confidential Business Information from any records it makes available for inspection or of which it provides copies. Within two (2) Business Days following the City's receipt of any request to inspect or obtain copies of public records relating to this Agreement or the Project, the City shall provide written notice of the same to the Company, which notice shall include a copy of such request. The City shall not allow inspection or provide copies of any such records until the Company shall have had not less than ten (10) Business Days (following and excluding the day on which the Company receives such notice) to determine whether to contest the right of any party to inspect or receive copies of such records. Any such action to enjoin the release of Confidential Business Information may be brought in the name of the Company or the City. The costs, damages, if any, and attorneys' fees in any proceeding commenced by the Company or at its request by the City to prevent or enjoin the release of Confidential Business Information in any public records relating to this Agreement or the Project shall be borne by the Company.

10.14 Attorneys' Fees. If any action is brought by either Party against the other Party, relating to or arising out of this Agreement or the enforcement hereof, the prevailing Party shall be entitled to

recover from the other Party the reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action, including the costs and fees incurred in connection with the enforcement or collection of any judgment obtained in any such proceeding. The provisions of this Section 10.14 shall survive the termination of this Agreement and the entry of any judgment and shall not merge, or be deemed to have merged, into any judgment.

10.15 Further Assurances. Upon the request of the other Party, each Party agrees to (i) furnish to the other Party such requested information, (ii) execute and deliver to the other Party such requested documents and (iii) do such other acts and things reasonably required for the purpose of carrying out the intent of this Agreement.

10.16 Waiver of Jury Trial. EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO. EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT EITHER PARTY MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS EVIDENCE OF SUCH WAIVER.

[Signatures appear on following page]

CITY:

EAGLE MOUNTAIN CITY,
a municipal corporation of the State of Utah

Tom Westmoreland, Mayor

ATTEST:

City Recorder

COMPANY:

STADION LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

EXHIBIT A

PROPERTY

Serial number: 59:057:0003

Legal Description: NW 1/4 AND W 1/2 OF NE 1/4, SEC. 25, T6S, R2W, SLB&M. ALSO DESCRIBED AS;; COM FR W 1/4 COR. SEC. 25, T6S, R2W, SLB&M.; N 0 DEG 20' 51" E 2676.06 FT; S 88 DEG 58' 33" E 2671.21 FT; S 88 DEG 58' 30" E 1335.59 FT; S 0 DEG 54' 3" W 2663.6 FT; N 89 DEG 9' 8" W 3980.95 FT TO BEG. AREA 244.782 AC.

Serial number: 59:057:0004

Legal Description: SW 1/4 AND W 1/2 OF SE 1/4, SEC. 25, T6S, R2W, SLB&M. ALSO DESCRIBED AS;; COM FR W 1/4 COR. SEC. 25, T6S, R2W, SLB&M.; S 89 DEG 9' 8" E 3980.95 FT; S 0 DEG 55' 59" W 2657.55 FT; N 89 DEG 24' 13" W 1367.89 FT; N 89 DEG 21' 28" W 2582.02 FT; N 0 DEG 15' 59" E 2672.94 FT TO BEG. AREA 242.655 AC.

EXHIBIT B

PROJECT APPROVALS

1. Development Review Committee (DRC) approval of the RTI (Regional Technology and Industry) Site Plan approvals for each building, including construction plans and documents.
2. City Council adoption of Resolution No. R-09-2018 on May 15, 2018, approving this Agreement.
3. City Council adoption of Resolution No. R-10-2018 on May 15, 2018, approving the Water and Sewer Agreement.
4. Planning Commission review of Preliminary Subdivision Plat on May 22, 2018.
5. City Council approval of the Preliminary Subdivision Plat on June 5, 2018.
6. Recording of the Final Subdivision Plat (including ROW dedications along project boundaries) in the Official Records within ten (10) Business Days following City Council approval.
7. Acceptance of road dedication plat for the "S-curve" roadway in parcel 59:056:0029.
8. City Engineer approval of a grading and excavation permit for work on the project site within ten (10) Business Days following submission of application.
9. City Council adoption of Resolution No. O-10-2018 on April 3, 2018, approving the MET Reimbursement Ordinance Amendment.
10. Building permit(s).
11. Building inspections and on-site facility inspections
12. Construction permit(s) for off-site utilities/facilities
13. Inspections for off-site utilities/facilities.
14. Permit for off-site fiber pursuant to paragraph 6.7.
15. Storm Water Pollution Prevention Plan (SWPPP) permit(s).
16. Approval of bids for Infrastructure Improvements.
17. Traffic control plan.

EXHIBIT C

WATER AND SEWER IMPROVEMENTS

Scope of Work

Water Improvements

Water and Sewer Line Improvements

- Two Pumps in Pony Express Pump Station
- PRV in Zone 4
- 11,000 LF 16"
- 13,000 LF 30" + PRV to east at connection to existing

Water Tank

- 3.5 MG Tank

Well Improvements

- 3,000 GPM Well & Piping

Sewer/Reclaimed Water Improvements

Reclaimed Water/Sanitary Sewer Installations

- Reclaimed Water Pump Station and Force Main Piping in Pony Express
- Sanitary Sewer Pump Station and Force Main Piping in Pony Express

Reclaimed Water/Sanitary Sewer Systems

- Winter Storage Pond Upsizing
- Secondary Water Pump at Treatment Plant and Piping

Depiction

- See attached

Construction Schedule

<u>Scope of Work</u>	<u>Design Bid Deadline</u>	<u>Design Completion Deadline</u>	<u>Construction Bid Deadline</u>	<u>Construction Completion Deadline</u>
<u>Water Line Improvements</u>	28 days following Effective Date	80 days following Effective Date	105 days following Effective Date	210 days following Effective Date
<u>Water Tank</u>	28 days following Effective Date	135 days following Effective Date	153 days following Effective Date	545 days following Effective Date
<u>Well Improvements</u>	28 days following Effective Date	222 days following Effective Date	251 days following Effective Date	545 days following Effective Date

<u>Scope of Work</u>	<u>Design Bid Deadline</u>	<u>Design Completion Deadline</u>	<u>Construction Bid Deadline</u>	<u>Construction Completion Deadline</u>
<u>Reclaimed Water/Sanitary Sewer Installations</u>	28 days following Effective Date	80 days following Effective Date	153 days following Effective Date	210 days following Effective Date
<u>Reclaimed Water/Sanitary Sewer Systems Improvements</u>	28 days following Effective Date	135 days following Effective Date	153 days following Effective Date	545 days following Effective Date

Eagle Mountain Off-Site Water Improvements



Eagle Mountain Off-Site Sewer Improvements



EXHIBIT D

ROADWAY EXPANSION

Scope of Work

- Widening of a section of Pony Express Parkway to a total asphalt width of 40-feet and construction of a half-width portion of the master planned section of Pony Express Parkway (38-feet total width of asphalt)

Depiction

- See attached

Construction Schedule

<u>Scope of Work</u>	<u>Design Bid Deadline</u>	<u>Design Completion Deadline</u>	<u>Construction Bid Deadline</u>	<u>Construction Completion Deadline</u>
<u>Roadway Expansion</u>	28 days following Effective Date	80 days following Effective Date	105 days following Effective Date	210 days following Effective Date ¹

¹ Subject to extension for weather-related delays.

EXHIBIT E

SYSTEM IMPROVEMENT PERCENTAGES

Water Improvements

- 36.00%

Sewer/Reclaimed Water Improvements

- 23.90%

Roadway Expansion

- Construction Costs (other than Land Acquisition Costs) - 0.00%
- Land Acquisition Costs - 100.00%

EXHIBIT F

ESTIMATED INFRASTRUCTURE COSTS

[Attached]

Steeplechase Capital Improvements and Impact Fee Analysis

Project		Est Cost
WATER PROJECTS		
1	2 Additional Pumps in Pony Express Booster Station	\$500,000
2	3,000 gpm Well & Piping	\$1,000,000
3	Zone 4 PRV	\$100,000
4	3.5 MG Tank and piping	\$3,000,000
5	10,815 LF 16 inch Line	\$1,460,000
6	13,185 LF 30 inch Line*	\$2,250,155
7	PRV on 30 inch line	\$100,000
8	Secondary Water Distribution System	\$2,590,000
9	Secondary Water Pump	\$250,000
TOTAL		\$11,250,155
SEWER PROJECTS		
1	Sanitary Sewer Lift Station and Force Main	\$850,000
2	Reclaimed Water Lift Station and Force Main	\$750,000
3	Winter Storage Ponds Upsizing	\$3,000,000
TOTAL		\$4,600,000

	Estimated Project Improvements	Estimated Capital Improvements	Cost for Upsizing	Impact Fees @ Buildout	Possible Credits after impact fees	System Improvement Percentages
	0					
Water (Psomos report)	\$7,200,000	\$11,250,155	\$4,050,155	\$3,579,941	\$470,214	36%
Sewer (JWO Alt 3)	\$3,500,000	\$4,600,000	\$1,100,000	\$66,920	\$1,033,080	24%