

RESOLUTION NO. R-17-2018

**A RESOLUTION OF EAGLE MOUNTAIN CITY, UTAH,
APPROVING THE THIRD AMENDMENT TO THE POLE CANYON
ANNEXATION AND MASTER DEVELOPMENT AGREEMENT**

PREAMBLE

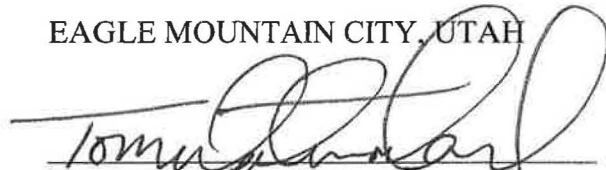
The City Council of Eagle Mountain City, Utah finds that it is in the public interest to approve the Third Amendment to the Pole Canyon Master Development Agreement as set forth more specifically in Exhibit A.

BE IT ORDAINED by the City Council of Eagle Mountain City, Utah:

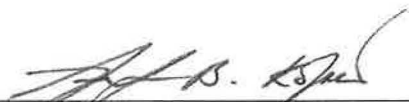
1. The City Council finds that all required notices and hearings have been completed as required by law to consider and approve the proposed Master Development Agreement as set forth in Exhibit A.
2. The Third Amendment to the Pole Canyon Master Development Agreement is hereby approved as set forth more specifically in Exhibit A.
3. This Resolution shall take effect upon its first publication or posting.

ADOPTED by the City Council of Eagle Mountain City, Utah, this 7th day of August, 2018.

EAGLE MOUNTAIN CITY, UTAH


Tom Westmoreland, Mayor

ATTEST:


Fionauala B. Kofoed, MMC
City Recorder



CERTIFICATION

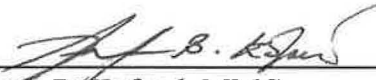
The above resolution was adopted by the City Council of Eagle Mountain City on the 7th day of August, 2018.

Those voting aye:

- Donna Burnham
- Melissa Clark
- Colby Curtis
- Stephanie Gricius
- Ben Reaves

Those voting nay:

- Donna Burnham
- Melissa Clark
- Colby Curtis
- Stephanie Gricius *excused*
- Ben Reaves



Fionnuala B. Kofoed, MMC
City Recorder

**THIRD AMENDMENT TO
POLE CANYON ANNEXATION AND MASTER
DEVELOPMENT AGREEMENT**

THIS THIRD AMENDMENT TO POLE CANYON ANNEXATION AND MASTER DEVELOPMENT AGREEMENT (“*Amendment*”) is made and entered into effective as of the 7th day of August, 2018, by and between EAGLE MOUNTAIN CITY, a Utah municipal corporation (“*City*”), and OQUIRRH WOOD RANCH, LLC, a Utah limited liability company (“*OWR*”), on behalf of the “Pole Canyon Investment Group” (as defined in the Development Agreement).

RECITALS:

A. The City and the Pole Canyon Investment Group (also referred to as the “PCIG”) are parties to that certain Pole Canyon Annexation and Master Development Agreement dated January 19, 2010, which was amended by the First and Second Amendments to Pole Canyon Annexation and Master Development Agreement dated July 1, 2014 and December 1, 2015 (collectively, the “*Development Agreement*”). All capitalized terms not otherwise defined in this Amendment shall have the same meaning given to such terms in the Development Agreement.

B. The City and OWR, on behalf of the PCIG, desire to amend the Development Agreement pursuant to this Amendment addressing certain issues relating to the wastewater pipeline and infrastructure.

AMENDMENT:

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and OWR, on behalf of the PCIG, agree as follows:

1. Wastewater Pipeline and Infrastructure. A new Sections 8.1.2 of the Development Agreement is hereby added as follows:

8.1.2 Wastewater Pipeline and Infrastructure. City has applied for a grant / loan in the amount of \$1,793,000 from Utah Division of Water Quality to construct a 12 inch wastewater line and related facilities (the “Sewer Line”) from the existing sewer ponds on the property described in Section 8.1.1 to the City’s sewer treatment facilities. PCIG agrees that 19.17% of the Sewer Line will service existing residents in White Hills and 80.83% of the capacity in the Sewer Line will be available for future growth. Accordingly, in order to provide for capacity to service future development, PCIG agrees to assist the City in the debt service on the grant / loan as follows:

8.1.2.1. The first annual debt service payment of \$36,830 is due on December 1, 2019. The annual debt service payments increase each year as indicated on Exhibit 15, attached hereto and included herein. The City agrees that no less than \$17 of each sewer bill for existing residents in White Hills will be allocated to debt service on this loan.

8.1.2.2. PCIG agrees that in addition to any other fees and charges to connect to the sewer system, any future development on the PCIG Property will pay an equity buy-in of \$3,083.21 (the "Equity Buy-In"), which funds the City will utilize towards the debt service on the loan / grant. In addition, for a period of 5 years beginning in 2019, on or before November 1 of each calendar year, PCIG will prepay sufficient equity buy-ins to cover any deficiency between the billed amount of fees and the loan / grant payment. For example, 110 connections in White Hills x \$17 per month per connection x 12 months = \$22,440. If the debt service is \$36,830, PCIG will prepay the Equity Buy-In fee for 5 connections (enough to cover the \$14,390 or \$15,415). Any balance can be carried over to the next year.

8.1.2.3. In accordance with 8.1.1 of the MDA, OWR will purchase the lagoon property for \$218,000, minus any money held by WHSSD, provided that the purchase price shall not exceed \$130,000. The City will keep the \$218,000 in the DSRF to pay any deficiencies after year 5, and any excess will be used to pay the balloon payment at the end of the term of the loan / grant.

2. Counterpart Signatures. This Amendment may be executed in counterparts, which, when compiled together shall constitute one and the same document. The exchange of electronic or facsimile copies of signatures to this Amendment shall for all purposes constitute original signatures.

3. Full Force and Effect. Except as expressly amended herein, the Development Agreement remains in full force and effect.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment effective as of the day and year first written above.

CITY:

EAGLE MOUNTAIN CITY, a Utah municipal corporation

ATTEST:

By: _____

Fionnuala B. Kofoed, City Recorder



By: _____

Tom Westmoreland, Mayor

APPROVED AS TO FORM:

By: _____

Jeremy R. Cook, City Attorney

OWR (ON BEHALF OF THE POLE CANYON INVESTMENT GROUP):

OQUIRRH WOOD RANCH, LLC, a Utah limited liability company

By: Shipp Ventures, Inc., a Utah corporation, its Manager

By: _____

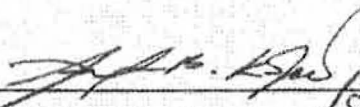
Nathan D. Shipp, President

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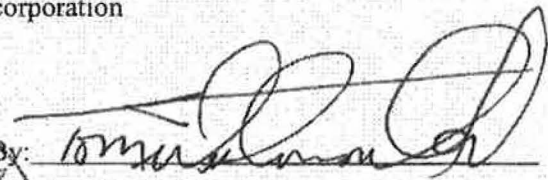
CITY:

EAGLE MOUNTAIN CITY, a Utah municipal corporation

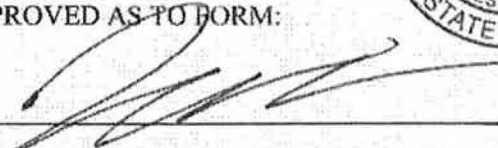
ATTEST:

By: 
Fionnuala B. Kofoed, City Recorder



By: 
Tom Westmoreland, Mayor

APPROVED AS TO FORM:

By: 
Jeremy R. Cook, City Attorney

OWR (ON BEHALF OF THE POLE CANYON INVESTMENT GROUP):

OQUIRRH WOOD RANCH, LLC, a Utah limited liability company

By: Shipp Ventures, Inc., a Utah corporation, its Manager

By: 
Nathan D. Shipp, President

EXHIBIT 15

LOAN / GRANT PAYMENT SCHEDULE

See attached.

Exhibit 1

**Eagle Mountain Project #202 Reauthorization
Bond Repayment Schedule**

Principal \$1,283,000
 Interest/Hardship Assessment 1.00%
 Term 30
 Avg Annual Pmt \$49,714

Payment Number	Payment Due Date	Principal Due	Principal Payment	Interest/HGA Payment	Total Payment
	1-Dec-19	0	0	*varies*	*varies*
1	1-Dec-20	1,283,000	24,000	12,830	36,830
2	1-Dec-21	1,259,000	24,000	12,590	36,590
3	1-Dec-22	1,235,000	25,000	12,350	37,350
4	1-Dec-23	1,210,000	26,000	12,100	38,100
5	1-Dec-24	1,184,000	27,000	11,840	38,840
6	1-Dec-25	1,157,000	28,000	11,570	39,570
7	1-Dec-26	1,129,000	28,000	11,290	39,290
8	1-Dec-27	1,101,000	29,000	11,010	40,010
9	1-Dec-28	1,072,000	29,000	10,720	39,720
10	1-Dec-29	1,043,000	30,000	10,430	40,430
11	1-Dec-30	1,013,000	31,000	10,130	41,130
12	1-Dec-31	982,000	32,000	9,820	41,820
13	1-Dec-32	950,000	33,000	9,500	42,500
14	1-Dec-33	917,000	34,000	9,170	43,170
15	1-Dec-34	883,000	35,000	8,830	43,830
16	1-Dec-35	848,000	36,000	8,480	44,480
17	1-Dec-36	812,000	37,000	8,120	45,120
18	1-Dec-37	775,000	38,000	7,750	45,750
19	1-Dec-38	737,000	39,000	7,370	46,370
20	1-Dec-39	698,000	40,000	6,980	46,980
21	1-Dec-40	658,000	40,000	6,580	46,580
22	1-Dec-41	618,000	41,000	6,180	47,180
23	1-Dec-42	577,000	41,000	5,770	46,770
24	1-Dec-43	536,000	42,000	5,360	47,360
25	1-Dec-44	494,000	42,000	4,940	46,940
26	1-Dec-45	452,000	43,000	4,520	47,520
27	1-Dec-46	409,000	43,000	4,090	47,090
28	1-Dec-47	366,000	44,000	3,660	47,660
29	1-Dec-48	322,000	44,000	3,220	47,220
30	1-Dec-49	278,000	278,000	2,780	280,780
TOTAL			1,283,000	249,980	1,532,980