

Q 18-124

**Recording Requested By and
When Recorded Return to:**
Salt Lake City Corporation
Attn: _____
451 South State Street
Salt Lake City, UT 84111

Parcel Nos. 07-29-100-003-0000
07-29-200-003-0000
07-32-100-003-0000
07-32-100-004-0000
07-32-200-004-0000
07-33-100-005-0000

RECORDED

JAN 31 2018

**MASTER DEVELOPMENT AND
REIMBURSEMENT AGREEMENT**
Northwest Quadrant (West)

CITY RECORDER

This Master Development and Reimbursement Agreement (this "**Agreement**") is made and entered into and made effective as of the date this Agreement is recorded by the City Recorder ("**Effective Date**") by and among **SALT LAKE CITY CORPORATION**, a Utah municipal corporation ("**City**"); the **REDEVELOPMENT AGENCY OF SALT LAKE CITY**, a public entity ("**RDA**"); and **NWQ, LLC**, a Utah limited liability company ("**Master Developer**"). City, RDA and Master Developer may from time to time be referred to herein each as a "**Party**" or collectively as the "**Parties**."

RECITALS

A. Master Developer is the record owner of approximately 1,516 acres of lands located in Salt Lake County, Utah, which are more particularly described on the attached **Exhibit A** (the "**Property**"). The Property is located within an area of Salt Lake City known as the Northwest Quadrant.

B. Master Developer is engaged in planning a large scale, master planned logistics center, industrial and warehousing system and series of projects within portions of the Property, and areas located near the Property.

C. A significant component of the development of the Property is the installation of an infrastructure network in, around and near the Property to facilitate the development of the Intended Uses.

D. Infrastructure planned for the area will require close coordination between property owners, users and public and private service providers and will include rail and road improvements, along with utilities and other improvements reasonable, necessary and useful for the development of the Property.

E. To support the development of the Property and the development of areas within City's jurisdiction, on January 9, 2018, RDA and City created and approved the Northwest Quadrant Community Reinvestment Project Area (the "**Project Area**") under Utah Code 17C-5-101, *et seq.*

F. The Project Area includes the Property as well as a neighboring property owned by Kennecott Utah Copper LLC, a Utah limited liability company and other properties.

G. Under Utah Code Title 17C, RDA is entitled to receive certain Tax Increment from the Project Area.

H. City and RDA have executed an interlocal agreement whereby a portion of the Tax Increment received by City shall be paid to RDA for use in accordance with this Agreement, the Project Area Plan, and separate reimbursement agreements entered into between RDA and property owners, including Master Developer.

I. This Agreement provides the core approvals and commitments that will facilitate the commencement of development within the Property and provide a basis for future agreements governing the development of the Property, construction of infrastructure and the reimbursement of costs.

AGREEMENT

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

ARTICLE I DEFINITIONS

1.1 Definitions.

1.1.1 "*Buildout*" means the completion of all development in the Property.

1.1.2 "*City's Current Laws*" means all laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City in effect as of the date of this Agreement.

1.1.3 "*City's Future Laws*" means the laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City which may be in effect in the future at any time when a Development Application is submitted and which may or may not apply to such Development Application based upon the terms of this Agreement.

1.1.4 "*Developer's Reimbursable Expenses*" means costs incurred by Master Developer or its assigns for the construction of Permitted Improvements.

1.1.5 "*Development Application*" means an application to City for development of a portion of the Property, including, but not limited to applications for site plan, subdivision,

building permit or other permit, certificate or authorization from City required for development of the Property.

1.1.6 "*Intended Uses*" means the use of all or portions of the Property for warehouses, logistic centers, intermodal transfer facilities, offices, rail freight terminal facilities, storage facilities, light manufacturing and supporting or facilitating uses allowed under City's Current Laws.

1.1.7 "*Master Developer*" means NWQ LLC, or its successors and assigns.

1.1.8 "*Offsite Improvements*" shall have the meaning given in Section 3.2 below.

1.1.9 "*Permitted Improvements*" means site improvements; road infrastructure, bridges over and under passes and including heavy haul roads described below; remediation or containment of environmental conditions; water and sewer improvements; storm water improvements; dedications of land for excess capacity in System Improvements or excess capacity in improvements accommodating uses outside of the Project Area; Offsite Improvements; utility infrastructure of every type including, but not limited to, electric, gas, fiber, communications; rail infrastructure; street lighting; developer incentives to facilitate and attract development to the Northwest Quadrant Project Area that has a positive impact for Salt Lake City, including projects that increase property tax value, provide high paying jobs, attract prominent tenants, promote green building standards or encourage good planning design; and other uses as agreed to by RDA and Master Developer in future agreements.

1.1.10 "*Project Area*" means the Northwest Quadrant Community Reinvestment Project Area as may be expanded or modified.

1.1.11 "*Project Area Increment*" shall mean the Tax Increment received by the RDA pursuant to an interlocal agreement executed with any applicable taxing entities in the Project Area, including the interlocal agreement executed January 9, 2018 with City.

1.1.12 "*Project Area Plan*" means the plan for the Project Area approved by RDA and City on January 9, 2018.

1.1.13 "*Project Phase*" means an area designated by Master Developer for development of a particular phase or portion of the Property.

1.1.14 "*Property*" means the real property described on Exhibit A.

1.1.15 "*Reimbursable System Improvement Expenses*" means costs and expenses, as approved by City, incurred by Master Developer, or its contractors or those working on its behalf, in acquiring or dedicating right of way for the location of System Improvements and the construction of System Improvements.

1.1.16 "*Sub Area Plan*" means a plan for a portion of the Property, or Project Area, as may be established by RDA.

1.1.17 "*Sub-developer*" means an owner of development parcel within the Property which is not the Master Developer, or an affiliate of Master Developer.

1.1.18 "*System Improvements*" means improvements included in City's impact fee facility plan now or in the future and are located within or facilitate development of the Property and other properties.

1.1.19 "*Tax Increment*" shall have the same meaning set forth in Utah Code § 17C-1-102(60) which is:

... the difference between:

- (i) the amount of property tax revenue generated each tax year by a taxing entity from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenue that would be generated from that same area using the base taxable value of the property.

1.1.20 "*Transfer Acknowledgment*" means an acknowledgment in the form attached hereto as **Exhibit B**.

1.1.21 "*Transfer Deed*" has the meaning set forth in Section 9.2.

ARTICLE II CITY APPROVALS AND VESTING

2.1 City Approval. City and RDA enter into this Agreement after taking all necessary actions to enter into the agreements and understandings set forth herein. City's enactment of the resolution approving this Agreement, and entering into this Agreement, are legislative acts allowed and authorized by Utah Code § 10-9a-101, *et seq.*, including specifically Utah Code § 10-9a-102(2).

2.2 Project Vesting. To the maximum extent permissible under state and federal law, and at equity, City and Master Developer agree that this Agreement confirms that Master Developer is vested with all rights to develop the Property in accordance with City's Current Laws without modification or change by the City except as specifically provided herein. By way of further clarification, Master Developer is vested with the right to develop and locate on the Property the uses and densities including, without limitation, the Intended Uses, and to develop in accordance with dimensional requirements as allowed by City's Current Laws. The Property is also vested with access to all City roads, described below, which adjoin or traverse any portion of the Property. The Parties intend that the rights granted to Master Developer hereunder are contractual vested rights and include the rights that exist as of the Effective Date under statute, common law and at equity. The Parties acknowledge and agree this Agreement provides significant and valuable rights, benefits, and interests in favor of Master Developer and the Property, including, but not limited to, certain vested rights, development rights, permitted and conditional uses (including for industrial and commercial uses), potential rights for new improvements, facilities, and infrastructure, as well as flexible timing, sequencing, and phasing

rights to assist in the development of the Property. To the extent the City Council adopts that certain land use ordinance known as Ordinance No. ____, Inland Port in Manufacturing Zones Text Amendment, Petition #PLNPCM2017-01038 ("Text Amendment"), such Text Amendment shall become included in the City's Current Laws and Master Developer shall automatically be vested in the Text Amendment without further action or approval by the City.

2.2.1 *Rescission Option.* To the extent Master Developer has executed this Agreement in advance of City approval of the Text Amendment, and if the Text Amendment is not enacted in a form reasonably satisfactory to Master Developer by February 28, 2018, then Master Developer may deliver notice of rescission to City and RDA to terminate this Agreement. Any such rescission notice must be delivered, if at all, no later than March 14, 2018. Upon Master Developer's delivery of notice of rescission pursuant to this Section, this Agreement shall automatically terminate whereupon the Parties shall have no further rights or obligations under this Agreement.

2.2.2 *Invalidity.* If any of the City's Current Laws are declared to be unlawful, unconstitutional or otherwise unenforceable then Master Developer will, nonetheless comply with the terms of this Agreement to the extent not precluded by law. In such an event, Master Developer and City shall cooperate to have City adopt a new enactment which is materially similar to any such stricken provisions and which implements the intent of the Parties under this Agreement.

2.2.3 *City's Future Laws.* City's Future Laws with respect to development or use of the Property shall not apply except as follows:

A. City's Future Laws that Master Developer agrees in writing to the application thereof to the Property;

B. City's Future Laws which are generally applicable to all properties in the City's jurisdiction and which are required to comply with State and Federal laws and regulations affecting the Property;

C. City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, 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 and are required to meet legitimate concerns related to public health, safety or welfare;

D. City's Future Laws that are health and environmental standards based on the City's obligations to comply with Federal or State environmental laws;

E. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated;

F. Changes to the amounts of fees (but not changes to the times provided in the City's Current Laws for the imposition or collection of such fees) for the processing of Development Applications that are generally applicable to all development within City's jurisdiction (or a portion of the City as specified in the lawfully adopted fee schedule) and which are lawfully adopted pursuant to State law; or

G. Impact fees or modifications thereto which are lawfully adopted, imposed and collected.

2.2.4 *Applications Under City's Future Laws.* Without waiving any rights granted or benefits imparted by this Agreement, Master Developer may at any time, choose to submit a Development Application for some or all of the Property under the City's Future Laws in effect at the time of the Development Application. Any Development Application filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to the Development Application. The election by Master Developer at any time to submit a Development Application under the City's Future Laws shall not be construed to prevent or limit Master Developer from submitting and relying for other Development Applications on the City's Current Laws.

2.3 Change in Law/Non-Conforming Uses. For the term of this Agreement, City agrees that any City's Future Law shall not apply to the Property where the application would impair or impede development, or eliminate or reclassify a use allowed under City's Current Laws. To the extent any change in law causes a use, structure or parcel to become non-conforming, such non-conforming status shall not impair, impede or prohibit the development of previously approved uses, reconstruction or restoration of developed uses, or the extension of such uses on parcels within the Property. If a City's Future Law applies to any portion of the Property under Section 2.2 above, it shall only apply as may be necessary to meet a legitimate governmental interest and then only to the minimum extent needed to meet such legitimate governmental interest.

2.4 Most Favored Nation. Should any property immediately adjacent to the Property or the Project Area (excluding road rights of way, including interstates) receive a zoning use or development entitlement not included in City's Current Laws, and which use or entitlement could facilitate development within the Project Area, City agrees to cooperate with Master Developer to promptly obtain the same use or entitlements for the Property.

2.5 Term. The initial term of this Agreement shall be forty (40) years beginning on the Effective Date, which term may be extended by written agreement of City, RDA, and Master Developer.

2.6 Development of Property. The development of the Property shall be in accordance with City's Current Laws, City's Future Laws (to the extent that they apply as allowed by this Agreement) and this Agreement. City and RDA agree that Master Developer shall have the full power and exclusive control of the Property. Nothing in this Agreement shall obligate Master Developer (or its successors) to develop the Property or to develop in any particular order or phase and that Master Developer reserves all discretion to determine whether to develop a particular portion or phase of the Property based upon Master Developer's business

judgment. The Property may be developed for all uses allowed by City's Current Laws, including, but not limited to, the Intended Uses.

2.7 Design Requirements. City shall not impose design requirements on buildings, improvements and structures located within the Property other than those required by City's Current Laws.

2.8 Open Space Dedications. No further open space dedications shall be required as a condition of Development Application approval; it being acknowledged by the Parties that prior to entering into this Agreement, and as consideration for creating a natural area to the north of the Property, the Property is located within an area designated by City as suitable for development. So long as there is no residential development within the Property, development within the Property shall not be required to pay open space or park impact fees of any type.

2.9 Recitals and Exhibits. The above recitals and all exhibits hereto are hereby incorporated by reference into this Agreement.

2.10 Separate Development Agreements. Master Developer may elect to propose and enter into separate agreements with City to govern the construction or development of a particular phase or portion of phase within the Property. City agrees to cooperate with the preparation and execution of any such separate agreement with Master Developer.

ARTICLE III ROADS AND UTILITIES

3.1 Roads.

3.1.1 *Major Roads.* The Property includes proposed or existing state roads and City arterial and collector roads. To the extent such roads will be owned by the State of Utah ("State"), the State will be responsible for the acquisition of right of way and development of such roads. Prior to development or acquisition of arterial or collector roads, the City shall provide Master Developer nine (9) months advance notice and an opportunity to consult and comment on any proposed plans to acquire or develop arterial and collector roads. City agrees to cooperate with Master Developer in relocating, modifying or removing planned City arterial and collector roads to the extent a Project Phase necessitates or would be improved by a different road configuration.

3.1.2 *Local Roads.* Subject to Section 3.3, Master Developer shall be responsible for the dedication of right of way and the construction of local roads installed in connection with the development of a Project Phase or portion thereof.

3.1.3 *Heavy Haul Road.* Master Developer may elect to plan, designate and construct, or have constructed, certain roads designed and constructed for heavy loads in connection with the uses contemplated for the Property. If such roads will be public roads, City's prior approval will be required. The Parties agree in coordinating infrastructure locations to accommodate such roads, which may be public or private roads.

3.1.4 *Road Widths.* City agrees that road right of way and pavement widths for local roads, collector roads, arterial roads and any other public roads shall not exceed the standards applicable to other similar developments within Salt Lake City.

3.1.5 *Drainage Areas.* Master Developer may propose that drainage facilities, including swales, berms and surface facilities for the Project Area, or portion thereof, be located within rights of way, including road rights of way, dedicated to City. City agrees to accept such offers of dedication consistent with City standards; provided that Master Developer provide a commitment to have such areas as may be located outside of the typical road rights of way cross sections maintained by an owners association or other form of property owner group.

3.2 Culinary Water and Sanitary Sewer Improvements. Master Developer shall be responsible for constructing and installing the requisite service and water and sewer distribution lines and similar improvements within the Property necessary for City to provide culinary water and sewer service to a particular Project Phase. Master Developer shall not be required to install transmission, service or distribution lines (or other significant infrastructure improvements) outside of the Property, or lines within the Property providing capacity for areas outside of the Property beyond City's normal project level requirements; *provided, however*, Master Developer acknowledges that certain areas within the Property may not be developable without the construction of infrastructure improvements outside the Property that would not be paid for by City ("**Offsite Improvements**"). All such Offsite Improvements shall qualify for reimbursement under the term Permitted Improvements, or other reimbursement provision as provided for in this Agreement. The foregoing limitation shall not prohibit Master Developer from installing improvements, including Offsite Improvements, subject to City's approval, for the benefit of areas outside of the Property, or areas leading to the Property, where the costs for such development will be paid for or Master Developer may be reimbursed by Project Area Increment, fees from a pioneering agreement(s), and/or the payment of impact fees.

3.3 Storm Water Improvements. Master Developer shall manage storm water flows within the Property according to the Northwest Quadrant Storm Water Drainage Master Plan or other City-approved Northwest Quadrant master plan. City Agrees to coordinate with Master Developer in advance of approving or amending the Northwest Quadrant Storm Water Drainage Master Plan in a way that will affect the Project Area. City agrees to work with Master Developer to approve storm water systems which account for the large amount of time anticipated that will be required to develop the Property, and to allow the usage of existing drainage areas by Master Developer where possible. City agrees to minimize situations where Master Developer is required to design or construct detention or retention facilities to address storm water flows originating from outside the Property without reimbursement from City or other property owners. Master Developer may be required to provide additional drainage capacity in conveyance channels and associated easements to accommodate pass-through drainage from other properties. Notwithstanding the foregoing, the City may require dedications for storm water drainage within the Property. Any dedications for excess capacity required for flows originating outside of the Project Area shall entitle Master Developer to obtain reimbursement, including under the definition of Permitted Improvements, for the value of the associated land dedications or space set aside for pass-through facilities. City agrees to consider design of drainage systems which incorporate filtering or other methods so a project or property may avoid the costs of designing a system with an oil/water separator, including the installation

of swales, bio-filters and other systems best suited for the unique drainage conditions in the Project Area.

3.4 City Services. City agrees that it shall make available (subject to application for service, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, street light, storm water and other municipal services to the Property. Such services shall be provided to the Property at the same levels of services, on the same terms and at rates as approved by the Salt Lake City Council, which rates may not differ materially from those charged to others in Salt Lake City.

3.5 Installation of Public Improvements. Notwithstanding any other provisions of this Agreement, all improvements to be publically dedicated shall be constructed in compliance with City's Current Laws and this Agreement. For each Project Phase, or portion thereof that is subject to a Development Application, Master Developer may enter into an improvement construction and assurance agreement in a form consistent with State law and City's Current Laws prior to recording the final plat for such phase, *provided, however*, subject to City's Current Laws, Master Developer may elect to install public improvements associated with such phase in coordination with City, and in advance of plat recordation in order to eliminate or reduce the need for providing financial assurances for public improvements within each phase which are completed in advance of dedication.

3.6 City Cooperation. City agrees to cooperate in making available public rights of way and easements for use by utility and service providers to development within the Property. City further agrees to cooperate with Master Developer in efforts to relocate, reconfigure or upgrade canal facilities which cross onto any portion of the Property. Separate agreements under this Section will not require RDA approval.

ARTICLE IV DEVELOPMENT PROCESSES

4.1 Planning Coordination and Approval. City will use reasonable efforts to process any Development Application promptly. Should City's Current Laws allow discretion as to whether a Development Application should be approved by City staff or a public body, City staff shall initially review the Development Application at the staff-level and make a reasonable determination about whether the land use decision can appropriately be made at staff-level. In the event the Development Application is forwarded to a non-staff land use authority, the City will provide notice to the applicant of the reasons for referring the decision to a non-staff land use authority.

4.2 Conditional Use Permits. City agrees that any conditional use permits shall be approved in accordance with State law and City's Current Laws. City agrees further that no land use authority may impose conditions on a conditional use permit which relate to criteria or detrimental impacts not expressly stated in City's Current Laws. No conditional use permit application shall be the subject to more than two public hearings without the express written consent of Master Developer.

4.3 Processing. City shall promptly process Development Applications. In order to ensure that the Development Applications are promptly reviewed and processed, City will use reasonable efforts to designate one or more City Planning Division staff member(s) as principal liaisons/specialists on the Development Applications. These Planning Division staff members will be fully informed on the terms of this Agreement and will facilitate timely review of any Development Applications submitted hereunder.

4.4 Acceptance of Certifications Required for Development Applications. Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents of the Development Application comply with the applicable regulatory standards of City. Subject to City's review and confirmation, a Development Application with the foregoing signature, endorsement, certification or stamp shall be deemed to meet the specific standards which are the subject of the opinion or certification. It is not the intent of this Section to preclude the normal process of City's "redlining", commenting on or suggesting alternatives to the proposed designs or specifications in the Development Application.

4.5 City Denial of a Development Application. If City denies a Development Application then City shall provide a written determination advising the applicant of the reasons for denial including specifying the reasons City believes that the Development Application is not consistent with this Agreement. In the event of a denial, City shall notify Master Developer even if Master Developer is not the applicant. The following provisions shall apply to any such denial:

4.5.1 Meet and Confer regarding Development Application Denials. City and applicant shall, within fifteen (15) days of any denial, discuss possible methods of resolving the issues specified in the denial of a Development Application. These discussions will not stay any appeal deadlines, and any party seeking to appeal should file a formal appeal with the City in order to preserve jurisdiction. The Parties may agree to stay the time for a formal appeal hearing on the denial.

4.5.2 City Denials of Development Applications Based on Denials from Non-City Agencies. If City's denial of a Development Application is based on the denial of the Development Application by a non-City agency, applicant shall appeal any such denial through the appropriate procedures for such a decision and not through the processes specified below.

4.6 Mediation of Development Application Denials.

4.6.1 Issues Subject to Mediation. Issues resulting from the City's denial of a Development Application may, upon the concurrence of both Parties, be mediated.

4.6.2 Mediation Process. If City and applicant mutually agree to mediation, the Parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the issue in dispute. If the Parties are unable to agree on a single acceptable mediator they shall each, within ten (10) business days, appoint their own representative. These two representatives shall, between them, choose the single mediator. Applicant shall pay the fees

of the chosen mediator. The chosen mediator shall within fifteen (15) business days, review the positions of the Parties regarding the mediation issue and promptly attempt to mediate the issue between the Parties. If the Parties are unable to reach agreement, the mediator shall notify the Parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall not be binding on the Parties.

ARTICLE V TAX INCREMENT REIMBURSEMENT

5.1 CRA Project Area. RDA has established a Project Area Plan which includes the Property and other property in the vicinity of the Property. The Project Area is intended to produce Tax Increment available for the purposes described in this Agreement and the Project Area Plan, including the Permitted Improvements, economic development within the Project Area Plan and other purposes as set forth in future agreements relating to the development of the Property. Costs incurred by Master Developer in developing, acquiring or installing Permitted Improvements shall be reimbursable from Project Area Increment as more particularly set forth in this Article. RDA's obligations under this Agreement are special limited obligations payable solely from the Tax Increment collected from the Property and generated from property taxes paid on behalf of the Property. RDA shall not expand or modify the Project Area without the written consent of Master Developer.

5.2 Project Area Tax Reimbursement Policy. Within six (6) months after the Effective Date, RDA agrees to adopt a Tax Increment reimbursement policy ("**TI Policy**") for the Project Area. The TI Policy shall include the following provisions:

5.2.1 *Reimbursement Applications.* RDA staff shall review each application for a new reimbursement agreement and forward the application to the RDA Board of Directors ("Board") within thirty (30) days of receipt. The TI Policy will also establish that the Board will use best efforts to consider the application within sixty (60) days of the Board's receipt of the application from RDA staff and to decide the application as soon as reasonably practicable thereafter.

5.2.2 *Reimbursement Triggers and Duration.* Each application for a new reimbursement agreement shall include an estimate of anticipated total future value, projected construction schedule and recommended future assessed value "trigger" for commencing tax increment collection and disbursement. The project area funds collection period for each individual reimbursement period shall be for a period not less than twenty (20) years dating from the day on which the first payment of project area funds is distributed to an agency under an interlocal agreement.

5.2.3 *Mutual Cooperation.* RDA agrees to lead and cooperate with efforts of the Parties to have other taxing entities enter into interlocal and other agreements allocating such taxing entity(ies)' tax increment to RDA for use in the Project Area as described in this Agreement.

5.2.1 *Increment Allocations.* Unless otherwise agreed by RDA and Master Developer in writing, RDA shall allocate Project Area Increment received by RDA as follows:

A. Administrative Increment. Ten percent (10%) of the Project Area Increment received by RDA may be used by RDA for the payment of RDA administrative costs ("Administrative Increment"), provided however, that if any portion of the Administrative Increment is not spent by the RDA on administrative costs in a given year, the RDA shall reallocate the Administrative Increment to become Area-Wide Increment to be used in accordance with Subsection C below.

B. Developer's Tax Increment. Seventy percent (70%) of the Project Area Increment, plus any potential reallocated Affordable Housing Increment, shall be available for reimbursement of Developer's Reimbursable Expenses.

C. Area-Wide Increment. Ten percent (10%) of the Project Area Increment shall be available for Project Area-wide improvements, including improvements located outside of Project Area but which directly benefit or specifically enhance the Project Area in a way that is measurable and not hypothetical or remote.

D. Affordable Housing Increment. Ten percent (10%) of the Project Area Increment shall be used for affordable housing uses as required by State law, *provided, however*, should the state amend Title 17C of the Utah Code to remove the mandatory ten percent (10%) affordable housing requirement applicable to projects such as the Project Area then such increment may be reallocated in RDA's discretion and pursuant to Utah Code 17C.

5.2.2 *Assignable.* This Agreement or future reimbursement agreements as to any portion of the Project Area may be assigned, in whole or in part, by Master Developer to successors, including Sub-developers, in writing, and subject to RDA's written approval, which approval shall not be unreasonably withheld, delayed, or conditioned. RDA will be bound by the same terms to the assignees.

5.2.3 *Separate Reimbursement Agreements.* Separate reimbursement agreements shall be approved by the RDA Board of Directors in accordance with this Agreement and will not require City approval.

ARTICLE VI IMPACT FEE REIMBURSEMENT

6.1 Reimbursements/ Impact Fee Plans. City will, within six (6) months of the Effective Date, create a process by which it will commit to reimburse Master Developer from applicable and available impact fees for Master Developer's Reimbursable System Improvement Expenses, which are not paid for by Project Area Increment or a pioneering or other reimbursement agreement. Nothing in the foregoing process shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses. Master Developer acknowledges that there are currently no City impact fee facilities plans for System Improvements in the Northwest Quadrant that are water, sewer, storm water, or street lighting improvements. City agrees to consult with Master Developer in advance of amending or enacting any impact fee facilities plan(s) which includes improvements to be located within or directly servicing the Project Area.

6.2 Reimbursement Process. City's impact fee reimbursement process for the System Improvements will include the requirement that, should Master Developer elect to construct any System Improvement, Master Developer shall coordinate such construction with City. The impact fee reimbursement process will also require Master Developer to provide City with estimates for the costs of all System Improvements as they are received, which City may include in updating its impact fee facilities plan. The impact fee reimbursement process will include a requirement that Master Developer provide monthly reports to City of all costs incurred by Master Developer in constructing System Improvements and in calculating Reimbursable System Improvement Expenses, and a requirement that City provide Master Developer with reports on impact fees collected upon reasonable request and without requiring Master Developer to file a records request. The impact fee reimbursement process will only be for impact fees collected for roads, police, and fire under City Code 18.98, *et seq.*, and will not include impact fees collected by the City's Public Utilities Department.

6.3 No Moratorium or Waiver. City shall include the obligations set forth in this Agreement into any subsequently amended or adopted impact fee facilities plan. Should City reduce any impact fees from the amounts set on the date of this Agreement, then City shall deposit a sum equal to the amount of such reduction into each fund for each class or grouping of impact fees at the time of payment to Master Developer hereunder; it being the Parties' intent that the effective amount of the impact fees not be reduced while obligations are outstanding to Master Developer under this Agreement

ARTICLE VII PIONEERING AGREEMENTS AND OTHER METHODS FOR REIMBURSING INFRASTRUCTURE COSTS

7.1 Bonds and Assessment Area. The Parties agree to evaluate and, where feasible, explore the creation of assessment areas and consider the appropriateness of issuing bonds to the extent such actions will facilitate development of the Property in accordance with this Agreement and the Project Area Plan.

7.2 Pioneering Agreements. City and Master Developer shall enter into pioneering agreements for any infrastructure, including System Improvements or Permitted Improvements, where Master Developer and City have mutually determined that a pioneering agreement will facilitate the reimbursement for costs incurred in developing and improving the Property as set forth in such pioneering agreements. Such pioneering agreements shall include provisions requiring others connecting to infrastructure built with excess capacity to pay for their share of such capacity, including construction, and other reasonable costs and expenses incurred in developing the excess capacity. City and Master Developer will include a definition in the pioneering agreements clarifying that "excess capacity" is limited to the cost of upsizing infrastructure. Nothing in a pioneering agreement shall preclude expenses from being reimbursed from more than one revenue source so long as Master Developer is only reimbursed once for Permitted Improvements or Reimbursable System Improvement Expenses.

ARTICLE VIII
ANNEXATION AND SUB PROJECTS

8.1 Additional Property. If Master Developer acquires properties immediately adjacent to the Property, Master Developer may elect to include such later acquired properties in this Agreement, subject to City's and RDA's approval, which approval shall not be unreasonably withheld, delayed, or conditioned. Such later acquired properties must be located within the Project Area to be included in this Agreement, which inclusion must comply with Section 5.1 above.

8.2 Sub-developer Agreements. The Parties hereto, or some of them, may enter into separate agreements with Sub-developers or others obtaining rights from Master Developer, provided however that nothing in any separate agreement may conflict with the entitlements and benefits obtained by Master Developer in this Agreement without the express written consent of Master Developer, or, as applicable, City and/or RDA.

ARTICLE IX
ASSIGNMENT AND TRANSFER

9.1 Assignment and Transfer of Development. If Master Developer assigns, transfers, or otherwise conveys the entire Property or any portion thereof to a subsequent owner, and intends to transfer any of the rights and obligations under this Agreement in connection with such transfer, Master Developer shall execute and deliver a "**Transfer Acknowledgment**" in the form attached hereto as **Exhibit B** for the purpose of notifying City of the transfer. Upon delivery of a fully executed Transfer Acknowledgment, the obligations of Master Developer shall automatically be assigned and assumed to the identified assignee and Master Developer shall be released from the obligations that are assumed by the identified assignee.

9.2 Transfer Deeds. Master Developer may make transfers, with or without transferring the rights under this Agreement under Section 9.1 above, in anticipation or furtherance of future land use approvals and development of the Property or a particular portion therein. In accordance with Utah Code § 10-9a-103(57)(c)(v), Master Developer may convey portions of the Project by metes and bounds prior to recordation of a plat of subdivision for such portion and City agrees to execute an acknowledgment on such deeds of conveyance (each a "**Transfer Deed**") for the purposes of acknowledging only City's consent to the conveyance by metes and bounds of the real property that is the subject of the applicable Transfer Deed. Master Developer expressly acknowledges that City's execution of a Transfer Deed shall not in any way be deemed a waiver of the requirement that the property transferred pursuant to such Transfer Deed shall be subject to the approval process set forth in this Agreement or City's Current Laws.

9.3 Reservation of Reimbursement Rights. Notwithstanding any provision in City's Current Laws to the contrary, Master Developer reserves unto itself the right to all payments and reimbursements for items constructed within the Property or by Master Developer even if Master Developer sells any portion of the Property to a third-party. Any assignment of the right to receive payments and reimbursements under this Agreement must be in writing, signed by

Master Developer, and approved by RDA, and must include specific details regarding the right or amount of reimbursement transferred to a third party. In the event of a transfer of any reimbursement or payment right under this Agreement, both assignor and assignee must provide written notice to RDA and City in accordance with this Agreement. Notwithstanding the foregoing, Master Developer shall not be entitled to retain reimbursements or payments under this Agreement that exceed the actual costs incurred by Master Developer.

ARTICLE X DISPUTE RESOLUTION

10.1 Default. Except as otherwise expressed herein, in the event of a failure by any Party to comply with the commitments set forth herein, within thirty (30) days of written notice of such failure from the other Party, the non-defaulting Party shall have the right to pursue any or all of the following remedies, which right shall be cumulative:

10.1.1 To cure such default or enjoin such violation and otherwise enforce the requirements contained in this Agreement; and

10.1.2 To enforce all rights and remedies available at law and in equity including, but not limited to, injunctive relief, and/or damages.

ARTICLE XI GENERAL MATTERS

11.1 Amendments. Any alteration or change to this Agreement shall be made in a writing executed by Master Developer and City, after approval by City's appropriate executive or legislative bodies. A provision of this Agreement relating to RDA may be amended with the written consent of RDA but RDA need not be a Party to an amendment that does not alter the reimbursement obligations of RDA hereunder. Master Developer need not obtain the written consent of a subsequent owner of a portion of the Property in order to amend this Agreement.

11.2 Exclusion from Moratoria. The Property shall be excluded from any moratorium adopted pursuant to Utah Code § 10-9a-504 unless such a moratorium is found on the record by the City Council to be necessary to avoid jeopardizing a compelling, countervailing public interest.

11.3 No Waiver. Nothing in this Agreement shall be construed as waiving Master Developer's rights under the United States and Utah constitutions, and the land use and development laws of the state of Utah.

11.4 Captions and Construction. This Agreement shall be construed according to its fair and plain meaning and as if prepared by all Parties hereto and shall be interpreted in accordance with Utah law. Titles and captions are for convenience only and shall not constitute a portion of this Agreement. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others wherever and whenever the context so dictates. Furthermore, this Agreement shall be construed so as to effectuate the public purposes, objectives and benefits set forth herein. As used in this Agreement, the words "include" and "including" shall mean "including, but not limited to" and shall not be interpreted

to limit the generality of the terms preceding such word. To the extent a general provision of City's Current Laws or Future Laws, or any other law, conflicts with a specific provision of this Agreement or an interpretation necessary to give effect to the Agreement, then this Agreement shall control.

11.5 Laws and Forum. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns, and shall be construed in accordance with Utah law. Any action brought in connection with this Agreement shall be brought in a court of competent jurisdiction located in Salt Lake County, Utah.

11.6 No Third Party Rights. Unless otherwise specifically provided herein, the obligations of the Parties set forth in this Agreement shall not create any rights in or obligations to any other persons or third parties.

11.7 Force Majeure. Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes; labor disputes; inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature; governmental restrictions, regulations or controls; judicial orders; enemy or hostile government actions; wars; civil commotions; fires, floods, earthquakes or other casualties or other causes beyond the reasonable control of the Party obligated to perform hereunder shall excuse performance of the obligation by that Party for a period equal to the duration of that prevention, delay or stoppage. Any Party seeking relief under the provisions of this section must have notified the other Party in writing of a force majeure event within thirty (30) days following occurrence of the claimed force majeure event.

11.8 Notices. All notices shall be in writing and shall be deemed to have been sufficiently given or served when presented personally, or delivered by a reputable overnight courier that keeps receipts of delivery (such as UPS or Federal Express), or when deposited in the United States mail, by registered or certified mail, addressed as follows:

City: Salt Lake City
451 South State Street
Salt Lake City, UT 84111
Attention: City Recorder

With a copy to: Salt Lake City
Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: City Attorney

RDA: Salt Lake City Redevelopment Agency
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Administrative Officer

With a copy to: Salt Lake City

Office of the City Attorney
451 South State Street
Salt Lake City, UT 84111
Attention: Chief Counsel, RDA

Master Developer: NWQ, LLC
166 East 14000 South, Suite 210
Draper, UT 84080
Attn: Lance Bullen

With a copy to: Snell and Wilmer L.L.P.
15 West South Temple, Suite 1200
Salt Lake City, UT 84101
Attn: Wade R. Budge

Such addresses may be changed by notice to the other Party given in the same manner as above provided. Any notice given hereunder shall be deemed given as of the date delivered or mailed.

11.9 Entire Agreement. This Agreement, together with documents and all regulatory approvals given by City for the Property, contain and constitute the entire agreement of the Parties with respect to the subject matter hereof and supersede any prior promises, representations, warranties, inducements or understandings between the Parties which are not contained in such agreements, regulatory approvals and related conditions. It is expressly agreed by the Parties that this Agreement and additional planned agreements between Master Developer and City, or between Master Developer and RDA, as contemplated and referred to elsewhere in this Agreement, are intended to and shall govern and facilitate the development of the Property.

11.10 Termination. If not timely rescinded in accordance with Section 2.2.1. above, this Agreement shall terminate upon the first of the following to occur: (i) mutual written agreement of the Parties, (ii) Buildout, or (iii) forty (40) years after the Effective Date, unless extended by in writing by City, RDA, and Master Developer, whichever occurs first.

11.11 Further Action. The Parties hereby agree to execute and deliver such additional documents and to take all further actions as may become necessary or desirable to fully carry out the provisions and intent of this Agreement.

11.12 Agreement Runs with the Land. This Agreement shall be recorded against the Property as described in the Exhibit A. The agreements contained herein shall be deemed to run with the land and shall be binding on and shall inure to the benefit of all successors in ownership of the Property. Successors in title are on record notice of the provisions of this Agreement. Notwithstanding the foregoing, each successor in interest shall accede only to the benefits and burdens of this Agreement pursuant to an assignment by Master Developer which pertain to that specific portion of the Property to which such successor holds fee title or leasehold estate, and shall not be deemed to be the "Master Developer" or a third party beneficiary of any of the rights, interests, or benefits relating to other portions of the Property. The provisions, responsibilities and benefits relating or appertaining to a specific portion of the Property may be

assigned to such portion of the Property, or owner thereof, by specific written instrument executed by Master Developer and approved by City and RDA, which approval shall not be unreasonably withheld, delayed, or conditioned.

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

11.14 Representation Regarding Ethics. Master Developer represents and warrants that it has not: (1) provided an illegal gift or payoff to a City officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the Parties have executed this Development Agreement on January __, 2018.

[Remainder of Page Intentionally Blank; Signatures Follow]

CITY:

SALT LAKE CITY CORPORATION, a Utah
municipal corporation

RECORDED

JAN 31 2018

ATTEST:

CITY RECORDER

Jacqueline M. Biskupski
Jacqueline M. Biskupski, Mayor

Cindi Mansell
Cindi Mansell, City Recorder

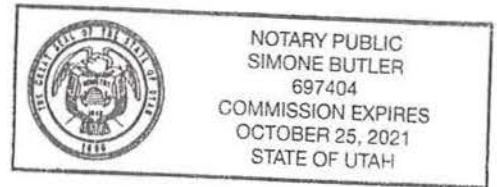


Approved as to form:
Salt Lake City Attorney's Office

E. Russell Vetter
E. Russell Vetter

ACKNOWLEDGMENT

STATE OF UTAH)
) : ss.
County of Salt Lake)



On this 31st day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Mayor of Salt Lake City, who executed the foregoing instrument on behalf of said City and acknowledged to me that said City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Simone Butler
Notary Public for Utah
Residing at: Salt Lake County
My Commission Expires: 10/25/2021

[Signatures Continue on Following Page]

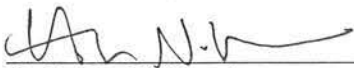
RDA:

REDEVELOPMENT AGENCY OF SALT
LAKE CITY, a public entity:



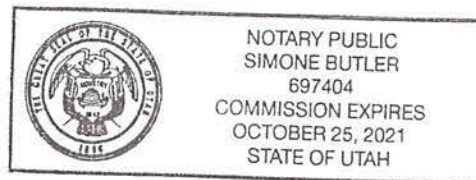

Jacqueline M. Biskupski, Executive Director

Approved as to form:
Salt Lake City Attorney's Office


Katherine N. Lewis


ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)



On this 31st day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Jacqueline M. Biskupski, known or identified to me to be the Executive Director of the Redevelopment Agency of Salt Lake City, and who executed the foregoing instrument on behalf of said Redevelopment Agency of Salt Lake City and acknowledged to me that said Redevelopment Agency of Salt Lake City executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.


Notary Public for Utah
Residing at: Salt Lake County
My Commission Expires: 10/25/2021

[Signatures Continue on Following Page]


MASTER DEVELOPER:

NWQ, LLC, a Utah limited liability company:

By: NWQ GP, LLC, a Utah limited liability company
Its: Manager

By: WADSWORTH NWQ, LLC, a Utah limited liability company
Its: Manager

By: KW VENTURES, LLC, a Utah limited liability company
Its: Manager

By: 
Kip L. Wadsworth, Manager

By: COLMENA NWQ, LLC, a Utah limited liability company
Its: Manager

By: COLMENA CAPITAL, INC., a Utah corporation
Its: Manager

By: _____
Name: _____
Its: _____

By: STOKES STEVENSON NWQ, LLC, a Utah limited liability company
Its: Manager

By: STOKES STEVENSON MGT NWQ, LLC, a Utah limited liability company
Its: Manager

By: BES INVESTMENT FUND, LLC, a Utah limited liability company
Its: Manager

MASTER DEVELOPER:

NWQ, LLC, a Utah limited liability company:

By: NWQ GP, LLC, a Utah limited liability company
Its: Manager


By: WADSWORTH NWQ, LLC, a Utah limited
liability company
Its: Manager

By: KW VENTURES, LLC, a Utah
limited liability company
Its: Manager

By: _____
Kip L. Wadsworth, Manager

By: COLMENA NWQ, LLC, a Utah limited
liability company
Its: Manager

By: COLMENA CAPITAL, INC., a
Utah corporation
Its: Manager

By: 
Name: Lance Bullen
Its: Manager

By: STOKES STEVENSON NWQ, LLC, a
Utah limited liability company
Its: Manager

By: STOKES STEVENSON MGT
NWQ, LLC, a Utah limited liability
company
Its: Manager

By: BES INVESTMENT FUND,
LLC, a Utah limited liability
company
Its: Manager

By: [Signature]
Bryan Stevenson, Manager

By: STRUCTURED FINANCE
CORPORATION, a Utah
corporation
Its: Manager

By: [Signature]
Travis Lish, President

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this ____ day of _____, 2018, before the undersigned notary public in and for the said state, personally appeared Kip L. Wadsworth, known or identified to me to be the Manager of **KW VENTURES, LLC**, a Utah limited liability company, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same as manager of **WADSWORTH NWQ, LLC**, which is a manager of **NWQ GP, LLC**, a manager of **NWQ, LLC**.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

Notary Public for Utah

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this 26th day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Lance Bullen, known or identified to me to be the Manager of **COLMENA CAPITAL, INC.**, a Utah corporation, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same as manager of **COLMENA NWQ, LLC**, which is a manager of **NWQ GP, LLC**, a manager of **NWQ, LLC**.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



[Signature]
Notary Public for Utah

By: _____
Bryan Stevenson, Manager

By: STRUCTURED FINANCE
CORPORATION, a Utah
corporation

Its: Manager

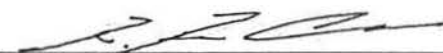
By: _____
Travis Lish, President

ACKNOWLEDGMENT

STATE OF UTAH)
 : ss.
County of Salt Lake)

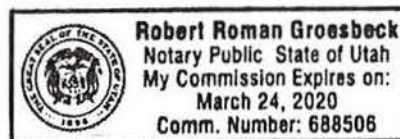
On this 16th day of JANUARY, 2018, before the undersigned notary public in and for the said state, personally appeared Kip L. Wadsworth, known or identified to me to be the Manager of **KW VENTURES, LLC**, a Utah limited liability company, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same as manager of **WADSWORTH NWQ, LLC**, which is a manager of **NWQ GP, LLC**, a manager of **NWQ, LLC**.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.



Notary Public for Utah

STATE OF UTAH)
 : ss.
County of Salt Lake)



On this ____ day of _____, 2018, before the undersigned notary public in and for the said state, personally appeared _____, known or identified to me to be the _____ of **COLMENA CAPITAL, INC.**, a Utah corporation, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same as manager of **COLMENA NWQ, LLC**, which is a manager of **NWQ GP, LLC**, a manager of **NWQ, LLC**.

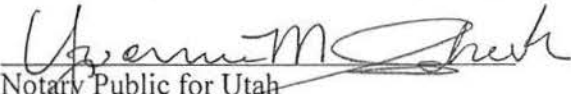
IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

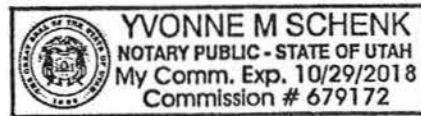
Notary Public for Utah

STATE OF UTAH)
 : ss.
County of Salt Lake)

On this 26th day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Bryan Stevenson, known or identified to me to be the Manager of **BES INVESTMENT FUND, LLC**, a Utah limited liability company, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same as manager of **STOKES STEVENSON MGT NWQ, LLC**, which is a manager of **STOKES STEVENSON NWQ, LLC**, which is a manager of **NWQ GP, LLC**, a manager of **NWQ, LLC**.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.

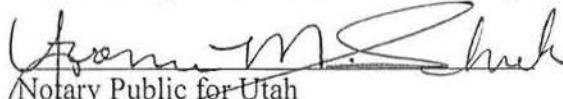

Notary Public for Utah

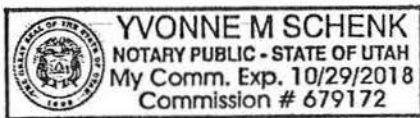


STATE OF UTAH)
 : ss.
County of Salt Lake)

On this 26th day of January, 2018, before the undersigned notary public in and for the said state, personally appeared Travis Lish, known or identified to me to be the President of **STRUCTURED FINANCE CORPORATION**, a Utah corporation, and the person who executed the foregoing instrument and acknowledged to me that said company executed the same as manager of **STOKES STEVENSON MGT NWQ, LLC**, which is a manager of **STOKES STEVENSON NWQ, LLC**, which is a manager of **NWQ GP, LLC**, a manager of **NWQ, LLC**.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year first above written.


Notary Public for Utah



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