

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE UTAH TRANSIT AUTHORITY
AUTHORIZING EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT
WITH WILLARD CITY REGARDING SALES TAX REVENUES TRANSFER FOR TRANSIT
PROJECTS**

R2026-04-04

April 22, 2026

WHEREAS, the Utah Transit Authority (the "Authority") is a large public transit district organized under the laws of the State of Utah and created to transact and exercise all of the powers provided for in the Utah Limited Purpose Special Government Entities - Special Districts Act and the Utah Public Transit District Act (collectively the "Act"); and

WHEREAS, the Utah Interlocal Cooperation Agreement Act, UTAH CODE § 11-13-101, *et seq.* enables components of government to execute a Interlocal Cooperation Agreement ("ILA") so both entities may obtain mutual advantage and economies of scale, among other things; and

WHEREAS, the Act empowers the Board of Trustees ("Board") of the Authority with the ability to execute ILAs on behalf of the Authority; and

WHEREAS, Willard City and the Authority have entered into an ILA facilitating the transfer by Willard City of the First Quarter Local Option Sales and Use Tax and the City portion of the Fourth Quarter Tax to UTA for funding UTA's public transportation system as well as for the pledge or payment related to the issuance of bonds for funded transit projects; and


WHEREAS, the Board of the Authority recognizes the mutual advantage of this agreement, and desires to, in accordance with the Utah Interlocal Cooperation Agreement Act, approve and authorize the execution of an ILA with Willard City for the implementation and use of the First Quarter Local Option Sales Tax and the City's portion of the Fourth Quarter Tax for Transit.

NOW, THEREFORE, BE IT RESOLVED by the Board:

1. That the Board hereby approves the Interlocal Cooperation Agreement with Willard City in substantially the same form as attached as Exhibit A.
2. That the Executive Director is authorized to execute the Interlocal Cooperation Agreement with Willard City in substantially the same form as attached as Exhibit A.
3. That the Board hereby ratifies any and all actions previously taken by the Authority's management, staff, and counsel related to negotiating and implementing the Interlocal Cooperation Agreement with Willard City.

4. That the corporate seal shall be affixed hereto.

APPROVED AND ADOPTED this 22nd day of April 2026.

DocuSigned by:

86F38485ACBF4D0

Carlton Christensen, Chair
Board of Trustees

ATTEST:

DocuSigned by:

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Secretary of the Authority



(Corporate Seal)

Approved as to Form:

Signed by:

0F6F046DE4724A2...

Legal Counsel

EXHIBIT A
(Interlocal Cooperation Agreement
With Willard City)

**INTERLOCAL COOPERATION AGREEMENT BETWEEN UTAH TRANSIT
AUTHORITY AND WILLARD CITY**

[Sales Tax Revenues Transfer for Transit Projects]

THIS INTERLOCAL COOPERATION AGREEMENT (“Agreement”) is made and entered into this 26 day of March, 2026, (“Effective Date”) by and between the UTAH TRANSIT AUTHORITY, a large public transit district organized pursuant to Title 17B, Chapter 2a, Part 8 of the Utah Code (“UTA”), and WILLARD CITY, a body corporate and politic of the State of Utah (“City”). UTA and City are sometimes referred to collectively as the “Parties” and individually as “Party.”

WITNESSETH:

WHEREAS, pursuant to Utah Code Ann. § 59-12-2213 and its statutory predecessors, the City established a local sales and option use tax of 0.25% and later increased the rate of such tax to 0.30% through adoption of Willard City Ordinance 2007-B(Rev) on December 6, 2007 (the “1st Quarter Tax”);

WHEREAS, the City and UTA entered into an Interlocal Cooperation Agreement on January 10, 2008 (the “2008 Interlocal”), wherein the City transferred to UTA certain revenue, defined therein as “Transit Tax” (the “2nd Quarter Tax”);

WHEREAS, the City attempted to repeal the 1st Quarter Tax through adoption of Ordinance 2024-03 adopted by the City on April 11, 2024;

WHEREAS, after the City lawfully placed the issue on the ballot in the 2023 General Election, the City repealed the 2nd Quarter Tax on April 11, 2024, by adoption of Willard City Ordinance 2024-04;

WHEREAS, Box Elder County has imposed the sales and use tax authorized by Utah Code § 59-12-2219 (the “4th Quarter Tax”);

WHEREAS, the Parties later determined that the City’s repeal of the 1st Quarter Tax was invalid and the City repealed Ordinance 2024-03 through adoption of Ordinance 2026-__ on March 26, 2026;

WHEREAS, the City desires to transfer the 1st Quarter Tax and the City portion of the 4th Quarter Tax to UTA to support UTA for certain public transit projects (the “Funded Projects”);

WHEREAS, UTA and the City are public agencies as defined by the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (“Interlocal Act”), and are authorized to enter into this Agreement to act jointly and cooperatively towards the Funded Projects;

NOW, THEREFORE, UTA and City, in consideration of the promises and covenants contained in this Agreement, the receipt of which is hereby acknowledged, covenant and agree as follows:

1. Direct Transfer; Use of Sales and Use Tax. The City agrees to take whatever action reasonably necessary to facilitate the transfer of the revenues generated by the 1st Quarter Tax and the City portion of the 4th Quarter Tax (together, the “Sales and Use Tax”) from the Utah State Tax Commission directly to UTA (less any administrative fees retained by the Utah State Tax Commission pursuant to law) to be utilized by UTA to support the Funded Projects and funding UTA’s public transportation system as provided herein and as authorized by Utah law. The Parties agree that the Sales and Use Tax may be used by UTA for the construction, operation, and maintenance of the Funded Projects and existing transit functions in the City, as well as for the pledge or payment related to the issuance of bonds and other obligations to fund the construction, operation, and maintenance of the Funded Projects.
2. Construction Collaboration. UTA and the City acknowledge and agree that UTA may need to contract for construction of certain portions of the Funded Projects under one or more construction contracts. The Parties agree that UTA will advise and consult with the City concerning construction contracts, but that the manner in which UTA contracts for the construction, manages, operates and completes the construction of these projects is the sole decision of UTA.
3. Duration and Pledge of 1st Quarter Tax. The City and UTA intend that the 1st Quarter Tax shall provide a long-term funding source for the Funded Projects and UTA’s public transportation system. In furtherance thereof, the Parties agree that while any bonds or other obligations (including obligations to continue to operate and maintain UTA’s public transportation system) for the Funded Projects remain outstanding and unpaid, the ordinance, resolution, or other enactment of the City imposing the 1st Quarter Tax and pursuant to which the 1st Quarter Tax is being collected and transferred to UTA, shall be irrevocable until such bonds and obligations have been paid in full as to both principal and interest, and said ordinance, resolution, or other enactment and this Agreement are not subject to amendment in any manner which would impair the rights of the holders of such bonds or other obligations which would in any way jeopardize the timely payment of principal or interest when due.
4. Liability and Indemnification. Both Parties are governmental entities under the Governmental Immunity Act of Utah, Utah Code Ann. § § 63G-7-101, et. seq. Consistent with the terms of this Act, it is mutually agreed that each Party is responsible and liable for its own wrongful or negligent acts which it commits or which are committed by its agents,

officials, or employees. Neither Party waives any defenses otherwise available under the Governmental Immunity Act.

5. Repeal of 2nd Quarter Tax. The Parties acknowledge and agree that the repeal of the 2nd Quarter Tax by Willard City, through adoption of Ordinance 2024-04 on April 11, 2024, was proper and neither party shall have any right to appeal or object to Ordinance 2024-04 or the repeal of the 2nd Quarter Tax for any reason.
6. Termination of 2008 Interlocal. The 2008 Interlocal is hereby terminated in its entirety and shall have no further force or effect.
7. Full Mutual Release and Waiver. Except for claims arising out of obligations under this Agreement, the City and UTA hereby mutually release, acquit, and forever discharge one another and one another's respective officers, directors, members, managers, partners, employees, consultants, agents, successors, assigns, insurers, parent companies, and subsidiaries from any and all claims, damages, losses, liabilities, or expenses arising out of or based upon (i) the enactment, repeal, and reinstatement of the 1st Quarter Tax, (ii) the enactment and repeal of the 2nd Quarter Tax, (iii) the payment or nonpayment of funds to UTA by the City, whether directly or through the Utah State Tax Commission, relating to the 1st Quarter Tax, the 2nd Quarter Tax, the 4th Quarter Tax, any other sales and use tax imposed by the City, or for any other reason, (iv) the approval, execution, and termination of the 2008 Interlocal and the performance of any obligations under the 2008 Interlocal, and (v) any other claims by either Party against the other accrued or unaccrued with respect to any and all matters between the Parties as of the Effective Date of this Agreement. The Parties fully intend and understand that this mutual release shall be full and complete releases and waivers by both Parties of any and all claims, damages, losses, liabilities, or expenses of any kind or character, whether known or unknown, whether brought or could have been brought or any other action between the Parties as of the Effective Date of this Agreement. This Agreement is entered into by the Parties to avoid the uncertainty, inconvenience and expense of litigation or other binding dispute resolution and shall not be construed to be an admission of the truth or correctness of any of the allegations of any Party of responsibility or liability of any other Party, nor be used in any proceeding as an admission of liability on the part of or concerning any Party. This mutual release and the other provisions of this paragraph shall survive the termination or amendment of this Agreement.
8. Interlocal Cooperation Act Requirements. In satisfaction of the requirements of the Interlocal Act, in connection with this Agreement, the Parties agree as follows:
 - (a) This Agreement shall be approved by each Party, pursuant to § 11-13-202.5 of the Interlocal Act;

- (b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each Party, pursuant to Section 11-13-202.5 of the Interlocal Act;
 - (c) A copy of this executed Agreement shall be filed with the keeper of records of each Party, pursuant to § 11-13-209 of the Interlocal Act;
 - (d) Each Party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs; and
 - (e) No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be administered by the designees of each Party, acting as a joint board. No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent that a Party acquires, holds, and disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such Party shall do so in the same manner that it deals with other property of such Party.
9. Further Assurances. The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the purposes and intent of this Settlement Agreement.
10. Amendments. Subject to Section 3 of this Agreement, this Agreement may be amended, changed, modified, or altered only by an instrument in writing which shall be: (a) approved by Resolution of the legislative body of each of the Parties; (b) executed by a duly authorized official of each of the Parties; (c) submitted to an attorney of each Party that is authorized to represent said Party for review as to proper form and compliance with applicable law, pursuant to § 11-13-202.5 of the Interlocal Act; and (d) filed in the official records of each Party.
11. Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures transmitted by electronic means (including PDF, facsimile, or other electronic signature platforms) shall be deemed to be original signatures for all purposes, and scanned or electronically transmitted copies of this Agreement shall be treated as originals for all purposes.
12. Construction. Both Parties participated in the negotiation and drafting of this Agreement and, accordingly, this Agreement shall not be construed more strongly in favor of or against either Party regardless of who was more responsible for its preparation and shall be construed simply according to its fair meaning.

13. Waiver. No term or provision hereof shall be deemed waived and no performance shall be excused hereunder unless prior waiver or consent shall be given in writing signed by the Party against whom it is sought to be enforced. Any waiver of any default by either Party shall not constitute a waiver of the same or different default on a separate occasion.
14. Severability. In the event any term, covenant, condition, provision or agreement herein contained is held to be invalid, void or otherwise unenforceable by any court of competent jurisdiction, the fact that such term, covenant, condition, provision or agreement is invalid, void or otherwise unenforceable shall in no way affect the validity or enforceability of any other term, covenant, condition, provision or agreement herein contained.
15. Governing Law. This Agreement shall be governed by the laws of the State of Utah both as to interpretation and performance.
16. Term. This Agreement shall terminate on the earlier of: (a) the retirement of all bonds or obligations for the Funded Projects; or (b) on December 15, 2044. The rights and obligations of the Parties pursuant to Section 7, above, shall survive termination.
17. Entire Agreement. This Agreement embodies the entire agreement between the Parties and shall not be altered except in writing signed by both Parties.

IN WITNESS WHEREOF, the Parties have subscribed their names and seals the day and year first above written.

[signature page follows]

[Signature page to Interlocal Agreement Between Utah Transit Authority and Willard City]

WILLARD CITY

APPROVAL AS TO FORM
WILLARD CITY ATTORNEY

By: *Michelle R. [Signature]* Mayor Pro Temp
MAYOR

By: *Amy F. Hugie*

ATTEST

By: *Jane [Signature]*
CITY RECORDER

UTAH TRANSIT AUTHORITY

By: _____
EXECUTIVE DIRECTOR

By: _____
CHIEF FINANCIAL OFFICER

APPROVAL AS TO FORM:
UTA LEGAL COUNSEL

Signed by:
By: *David M. Wilkins*
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Assistant Attorney General