



**Tremonton City Corporation
Redevelopment Agency Meeting
October 6, 2015
Meeting to be held immediately following Tremonton City Council Meeting
which is scheduled at 7:00 p.m.
102 South Tremont Street
Tremonton, Utah**

AGENDA

1. Approval of agenda
2. Approval of minutes – July 7, 2015
3. New Business:
 - a. Discussion and consideration of adopting Resolution No. RDA 15-08 adopting a Property Tax Increment Reimbursement Agreement between the Tremonton City Redevelopment Agency and Tremont Center, LLC
4. Adjournment

Persons with disabilities needing special assistance to participate in this meeting should contact Darlene Hess no later than 48 hours prior to the meeting.

Anchor location for Electronic Meeting by Telephone Device. With the adoption of Ordinance No. 13-04, the Board may participate per Electronic Meeting Rules. Those eligible to request participation by electronic means should contact Darlene Hess, City Recorder no later than 48 hours prior to the meeting to make arrangements.

Notice was posted October 2, 2015, a date not less than 24 hours prior to the date and time of the meeting and remained so posted until after said meeting. A copy of the agenda was delivered to the Leader (Newspaper) on October 2, 2015.

Darlene S. Hess, Executive Secretary

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TREMONTON CITY CORPORATION REDEVELOPMENT AGENCY July 7, 2015

Board Members Present:

Roger Fridal, Chairman

Diana Doutre, Board Member

Lyle Holmgren, Board Member

Jeff Reese, Board Member

Bret Rohde, Board Member

Byron Wood, Board Member

Shawn Warnke, Executive Director

Darlene Hess, Executive Secretary

Chairman Fridal called the Tremonton Redevelopment Agency Meeting to order at 7:58 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah. Those in attendance were Chairman Fridal, Board Members Doutre, Holmgren, Reese, Rohde, and Wood, Executive Director Warnke, and Executive Secretary Hess.

1. Approval of agenda:

Motion by Board Member Doutre to approve the July 7, 2015 agenda. Motion seconded by Board Member Reese. Vote: Board Member Doutre - aye, Board Member Holmgren - aye, Board Member Reese - aye, Board Member Rohde - aye, and Board Member Wood - aye. Motion approved.

2. Approval of minutes – June 16, 2015

Motion by Board Member Wood to approve the minutes of June 16, 2015. Motion seconded by Board Member Holmgren. Vote: Board Member Doutre - aye, Board Member Holmgren - aye, Board Member Reese - aye, Board Member Rohde - aye, and Board Member Wood - aye. Motion approved.

3. New Business:

- a. Discussion and consideration of approving Resolution No. RDA 15-06 adopting a Wall Mural Artist Professional Services Agreement between Rachel Wadsworth and Tremonton City RDA to fabricate a wall mural of the space shuttle on a building located at 13 North 200 East, wall facing Main Street

Board Member Reese stated the design looks good. The mural will be on the south side of Dr. Johnson's building on Main Street. Board Member Rohde commented that the south side of the apartments next to 13 North 200 East would

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be a good spot for a mural as it is big. Executive Director Warnke spoke to the owner of the apartments in the past and will follow up with him again about putting a mural on the south wall of the apartments. It was also noted that Executive Director Warnke will be getting a bid for bricking in the windows at 13 North 200 East. The windows are covered with sheetrock on the inside.

Motion by Board Member Reese to approve Resolution No. RDA 15-06. Motion seconded by Board Member Holmgren. Roll Call Vote: Board Member Rohde - aye, Board Member Wood - aye, Board Member Reese - aye, Board Member Doutre - aye, and Board Member Holmgren - aye. Motion approved.

4. Adjournment

Motion by Board Member Holmgren to adjourn the meeting. Motion seconded by Board Member Doutre. Vote: Board Member Doutre - aye, Board Member Holmgren - aye, Board Member Reese - aye, Board Member Rohde - aye, and Board Member Wood - aye. Motion approved.

The meeting adjourned at 8:00 p.m.

The undersigned duly acting and appointed Executive Secretary for Tremonton City Corporation Redevelopment Agency hereby certifies that the foregoing is a true and correct copy of the minutes for the RDA Meeting held on the above referenced date. Minutes were prepared by Cynthia Nelson.

Dated this _____ day of _____, 2015.

Darlene Hess, Executive Secretary

RESOLUTION NO. RDA 15-08

A RESOLUTION ADOPTING A PROPERTY TAX INCREMENT REIMBURSEMENT AGREEMENT BETWEEN THE TREMONTON CITY REDEVELOPMENT AGENCY AND TREMONT CENTER, LLC

WHEREAS, the Tremonton City Redevelopment Agency is a community development and renewal agency (a public body, corporate and politic) duly created, established, and authorized to transact business and exercise its powers, all under and pursuant to the Limited Purpose Local Government Entities - Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated (“UCA”) 1953, as amended; and

WHEREAS, it is the Agency’s objectives to encourage, promote and provide for the development of industry, commercial, retail, residential and jobs and economic prosperity within Tremonton City incorporated limits; and

WHEREAS, on July 15, 2014, the Agency approved Resolution No. RDA 14-09 authorizing the preparation of the Tremont Center Community Development Project Area Plan; and

WHEREAS, on February 17, 2015, pursuant to UCA § 17C-4-104, the Tremonton City Redevelopment Agency adopted Resolution No. RDA 15-01, approving the Tremont Center Community Development Project Area Plan; and

WHEREAS, on February 17, 2015, pursuant to UCA § 17C-4-105, the Tremonton City Council adopted Ordinance No. 15-02, approving the Tremont Center Community Development Project Area Plan; and

WHEREAS, the Tremont Center Community Development Project Area is located along Main Street in Tremonton City, Utah from approximately 730 West to approximately 200 East and covers 73.7 total acres; includes 109 parcels that account for 60.3 acres of the total 73.7 acres, with the remaining acreage belonging to roads, rail and alley-ways; and

WHEREAS, the aims and objectives of the Tremont Center Community Development Project Area Plan include the Agency’s encouragement, promotion, and facilitation of the revitalization and development of commercial, retail, and residential spaces within the Project Area; completion of the corresponding improvements associated with infrastructure and revitalization; and the mechanism for funding said improvement; and

WHEREAS, the realization of the development of the Tremont Center Community Development Project Area Plan will grow the City’s economy, quality of life and reputation; and

WHEREAS, the primary area slated for new development of commercial, office and residential is the Tremont Center Site, which is comprised of the four following parcels : 05-168-

0076 being a 5 acre greenfield (i.e. agriculture land); 05-168-0077 being 31 acres greenfield; 05-168-0079 being single-family detached home on .85 acres; and 05-168-0079 being a single family home .45 acres, and the Tremont Center Site has unique and significant infrastructure needs in order to make new development viable; and

WHEREAS, the significant infrastructure needs for the Tremont Center Site generally includes the following: burying the Central Canal; bridges and right-of-way improvements on Main Street; landscaping over the buried canal and pedestrian amenities; burying overhead power; water line installation; boring water line under the canal; and demolition of homes; and

WHEREAS, the associated Tremont Center Site infrastructure improvements will make the land within the site more accessible to and from other parts of the City, in addition to improving the appearance, safety and functionality of Main Street; and

WHEREAS, the Tremont Center Site was identified in the Tremont, Utah Sustainable Design Assessment Team (“SDAT”) Report as having an immediate opportunity to strengthen the community by acting as a catalyst for additional economic development and revitalization in the Project Area; and

WHEREAS, excluding the Tremont Center Site, the balance of the Project Area has portions that are unsightly in appearance and there is also significant infrastructure needs in order to make the revitalization of existing developments and promote the improvement of economic health of existing businesses within the Project Area; and

WHEREAS, the development of new commercial, office, and residential structures on the Tremont Center Site and within the Project Area is likely to create increased taxable value of personal and real property, which, under the Act and with the consent of the Taxing Entities, the Agency has the ability to receive, as what is commonly referred to as Tax Increment, to be used for infrastructure improvements and other uses allowed under the Act within the Project Area; and

WHEREAS, the Taxing Entities have, through an Interlocal Agreement, consented to allow the Agency to receive seventy-five percent (75%) of the Tax Increment generated within the Project Area with the maximum of four million, three hundred thousand dollars (\$4,300,000) or fifteen (15) years, whichever occurs first in order to pay for the contemplated infrastructure enumerated within the Plan; and

WHEREAS, Developer of the Tremont Center Site intends to construct infrastructure on the Tremont Center Site, which is necessary to facilitate the development of the site; and

WHEREAS, the Agency recognizes that the prompt development of the Tremont Center Site, which currently is primarily a greenfield site (i.e. agriculture land), will generate the Tax

Increment necessary to revitalize the remainder of the Project Area and for this reason the Agency desires to prioritize the use of Tax Increment to reimburse Developer for a portion of

the Developer Improvements using a portion of the Tax Increment from the Project Area on the terms and conditions set forth herein.

NOW, THEREFORE BE IT RESOLVED, by the Tremonton City Redevelopment Agency of Tremonton City, Utah that the Agency approves the Property Tax Increment Reimbursement Agreement between the Tremonton City Redevelopment Agency and Tremont Center, LLC as contained in Exhibit A.

Adopted and approved this 6th day of October, 2015.

TREMONTON CITY
REDEVELOPMENT AGENCY

By _____
Roger Fridal, Chairperson

ATTEST:

By _____
Darlene S. Hess, Executive Secretary

EXHIBIT "A"

**PROPERTY TAX INCREMENT REIMBURSEMENT AGREEMENT
(Tremont Center Community Development Project Area)**

Tremont Center Development

THIS PROPERTY TAX INCREMENT REIMBURSEMENT AGREEMENT is made and entered into this 6th day of October 2015, between the **Tremonton City Redevelopment Agency**, a public agency (“Agency”), and **Tremont Center, LLC**, a Utah limited liability company (“Developer”), sometimes collectively referred to as the “Parties,” and individually, as a “Party”.

RECITALS

A. WHEREAS, the Tremonton City Redevelopment Agency is a community development and renewal agency (a public body, corporate and politic) duly created, established, and authorized to transact business and exercise its powers, all under and pursuant to the Limited Purpose Local Government Entities—Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated (“UCA”) 1953, as amended; and

B. WHEREAS, it is the Agency’s objectives to encourage, promote and provide for the development of industry, commercial, retail, residential and jobs and economic prosperity within Tremonton City incorporated limits; and

C. WHEREAS, on July 15, 2014, the Agency approved Resolution No. RDA 14-09 authorizing the preparation of the Tremont Center Community Development Project Area Plan; and

D. WHEREAS, on February 17, 2015, pursuant to UCA § 17C-4-104, the Tremonton City Redevelopment Agency adopted Resolution No. RDA 15-01, approving the Tremont Center Community Development Project Area Plan; and

E. WHEREAS, on February 17, 2015, pursuant to UCA § 17C-4-105, the Tremonton City Council adopted Ordinance No. 15-02, approving the Tremont Center Community Development Project Area Plan; and

F. WHEREAS, the Tremont Center Community Development Project Area is located along Main Street in Tremonton City, Utah from approximately 730 West to approximately 200 East and covers 73.7 total acres; includes 109 parcels that account for 60.3 acres of the total 73.7 acres, with the remaining acreage belonging to roads, rail and alley-ways, a map and the legal description of which is attached hereto as Exhibit “A”; and

G. WHEREAS, the aims and objectives of the Tremont Center Community Development Project Area Plan include the Agency’s encouragement, promotion, and facilitation of the revitalization and development of commercial, retail, and residential spaces within the

Project Area; completion of the corresponding improvements associated with infrastructure and revitalization; and the mechanism for funding said improvement; and

H. WHEREAS, the realization of the development of the Tremont Center Community Development Project Area Plan will grow the City's economy, quality of life and reputation; and

I. WHEREAS, the primary area slated for new development of commercial, office and residential is the Tremont Center Site, which is comprised of the four following parcels : 05-168-0076 being a 5 acre greenfield (i.e. agriculture land); 05-168-0077 being 31 acres greenfield; 05-168-0079 being single-family detached home on .85 acres; and 05-168-0079 being a single family home .45 acres, and the Tremont Center Site has unique and significant infrastructure needs in order to make new development viable; and

J. WHEREAS, the significant infrastructure needs for the Tremont Center Site generally includes the following: burying the Central Canal; bridges and right-of-way improvements on Main Street; landscaping over the buried canal and pedestrian amenities; burying overhead power; water line installation; boring water line under the canal; and demolition of homes; and

K. WHEREAS, the associated Tremont Center Site infrastructure improvements will make the land within the site more accessible to and from other parts of the City, in addition to improving the appearance, safety and functionality of Main Street; and

L. WHEREAS, the Tremont Center Site was identified in the Tremont, Utah Sustainable Design Assessment Team ("SDAT") Report as having an immediate opportunity to strengthen the community by acting as a catalyst for additional economic development and revitalization in the Project Area; and

M. WHEREAS, excluding the Tremont Center Site, the balance of the Project Area has portions that are unsightly in appearance and there is also significant infrastructure needs in order to make the revitalization of existing developments and promote the improvement of economic health of existing businesses within the Project Area; and

N. WHEREAS, the development of new commercial, office, and residential structures on the Tremont Center Site and within the Project Area will increase taxable value of personal and real property, which, under the Act and with the consent of the Taxing Entities, the Agency has the ability to receive, as what is commonly referred to as Tax Increment, to be used for infrastructure improvements and other uses allowed under the Act within the Project Area; and

O. WHEREAS, the Taxing Entities have, through an Interlocal Agreement, consented to allow the Agency to receive seventy-five percent (75%) of the Tax Increment generated within the Project Area with the maximum of four million, three hundred thousand

dollars (\$4,300,000) or fifteen (15) years of tax increment, whichever occurs first in order to pay for the contemplated infrastructure enumerated within the Plan; and

P. WHEREAS, Developer of the Tremont Center Site is set to construct infrastructure on the Tremont Center Site, which is necessary to facilitate the development of the site; and

Q. WHEREAS, the Agency recognizes that the prompt development of the Tremont Center Site, which currently is primarily a greenfield site (i.e. agriculture land), is the only foreseeable investment into the Project Area that will generate the Tax Increment necessary to revitalize the remainder of the Project Area and for this reason the Agency desires to prioritize the use of Tax Increment to reimburse Developer for a portion of the of the Developer Improvements using a portion of the Property Tax Increment from the Project Area on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the terms and conditions contained in this Property Tax Increment Reimbursement Agreement (hereafter “Agreement”), and other good and valuable consideration, the Parties hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 The following terms shall have the meaning as indicated below:

1.1.1 “Act” shall have the meaning set forth in Limited Purpose Local Government Entities—Community Development and Renewal Agencies Act, Title 17C, Utah Code Annotated 1953, as amended.

1.1.2 “Agency” means the Tremont City Redevelopment Agency, a public agency exercising its functions and powers and organized and existing under the Act, and includes any successor designated by Agency or succeeding to Agency.

1.1.3 “City” means Tremont City, Utah, a municipal corporation under the laws of the State of Utah.

1.1.4 “Developer” means owners of the Tremont Center, LLC, a Utah limited liability company.

1.1.5 “Developer Costs” means the actual costs incurred by Developer that are verified by the Agency in connection with the construction of the Developer Improvements which includes costs associated with financing of Developer Improvements such as interest paid. See Section 3.1 *Reimbursement Request and Determination of Developer Costs* of this Agreement regarding determining and documenting Developer Costs.

1.1.6 “Developer Improvements” means both Developer Primary Improvements and Developer Secondary Improvements as further defined in Section 2.1.1 *Developer Primary Improvements* and Section 2.1.2 *Developer Secondary Improvements*.

1.1.6 “Plan” or “Tremont City Community Development Project Area Plan” shall be synonymous and means the Plan adopted by Resolution No. RDA 15-01 by the Agency and the Plan adopted by Ordinance No. 15-02 approved by the Tremont City Council.

1.1.7 “Project Area” or “Tremont Center Community Development Project Area” shall be synonymous and is described and depicted in Exhibit A.

1.1.8 “Property” or “Tremont Center Site” shall be synonymous and shall have the meaning set forth in Recital I and as depicted in Exhibit A.

1.1.9 “Property Tax Increment” means the portion of the Tax Increment that is generated from the Tremont Center Community Development Project Area that is paid to the Agency and available for reimbursement pursuant to the terms of this Agreement.

1.1.10 “Reimbursement Cap” means both Primary Reimbursement Cap and Secondary Reimbursement Cap as further defined in Section 3.1 *Reimbursement for Developer Primary Improvements* and Section 3.3.2 *Reimbursement for Developer Secondary Improvements* in this Agreement.

1.1.11 “Taxing Entities” means Box Elder County School District, Box Elder County, Tremont City, Box Elder Mosquito Abatement District, and Bear River Water Conservancy District.

1.1.12 “Tax Increment” shall have the meaning set forth in the Act.

SECTION 2. COMPLETION OF DEVELOPER IMPROVEMENTS

2.1 Developer Improvements. Developer is obligated and shall construct, or cause to be constructed, the following Developer Improvements on the Property, as contemplated by this Agreement, in accordance with the Plans and Specifications (as defined in Section 2.2 *Plans and Specifications*) as follows:

2.1.1 Developer Primary Improvements. Developer Primary Improvements shall consist of: 1) Burying the Central Canal; 2) Construction of bridges and right-of-way improvements on Main Street; 3) Landscaping over the buried canal and pedestrian amenities; 4) Burying overhead power lines; 5) Water line installation; 6) Boring of water line under the canal; and 7) Demolition of homes.

a. Deadline for Commencing Developer Primary Improvement. Developer Primary Improvement shall commence by the

Developer within two (2) of signing this Agreement. In the event that the Developer fails to commence Developer Primary Improvements within the two (2) year period noted above this Agreement shall automatically terminate and the Agency shall have no further obligations to Developer.

- b. Deadline for Completion of Developer Primary Improvements. All of the Developer Primary Improvements shall be completely constructed within four (4) years of signing of this Agreement.

2.1.2 Developer Secondary Improvements. Developer Secondary Improvements shall consist of the following: 1) Street trees for public road (or in other locations on the Property as approved by the Agency); and 2) Public plaza or park.

2.1.3 The cost of developing and constructing the Developer Improvements and all other costs related thereto shall be borne solely by Developer.

2.2 Plans and Specifications. Prior to construction of Developer Improvements on the Property, Developer shall submit to Agency and City for their review and approval, a complete set of construction drawings and engineer's estimate of costs for the construction of the Developer Improvements. Agency shall not unreasonably withhold its approval so long as such submittals are consistent with the description of the aforementioned Developer Improvements within this Agreement and the Developer has been or will be issued a permit by the governmental entity or other agency having jurisdiction as further described in Section 2.3 *City and Other Governmental Agency Permits and Laws* below. Once approved by Agency in writing, all of such submittals shall be referred to as the "Plans and Specifications".

2.3 City and Other Governmental Agency Permits and Laws. Before commencement of any construction of Developer Improvements, development or work on the Property, Developer shall, at its own expense, secure, or cause to be secured, any and all permits which may be required by the City or any other governmental agency having jurisdiction over such construction, development or work. Developer acknowledges that Agency is a separate entity from the City, and Agency's approvals of any documents do not constitute approval by the City.

Developer shall carry out or caused to be carried out the construction of the Developer Improvements in conformity with all applicable federal, state and local laws, ordinances, governmental orders and permits and Plans and Specifications.

SECTION 3. REIMBURSEMENT TO DEVELOPER

3.1 Reimbursement Request and Determination of Developer Costs. Developer shall submit to Agency a formal reimbursement request. The reimbursement request submittal shall identify the Developer Costs, which may include but is not limited to: actual costs for Developer Improvements completed including financing costs such as interest paid. The Developer shall submit a coversheet that summarizes the Developer Costs along with copies in order of summarization of all associated invoices, lien waivers, proof of payment by the Developer and

any other reasonable documentation deemed necessary to verify Developer Costs by the Agency. It is the Developer's burden to prove through providing clear and concise documentation Developer Costs. Contingent upon the Developer providing clear and concise documentation and so long as such reimbursement request is consistent with the description of the Developer Improvements and other requirements within this Agreement, the Agency shall provide a reimbursement payment.

3.2 Eligibility for Reimbursement Payments. In order to be eligible for reimbursement payments the Developer shall be in compliance with developer requirements contained in Exhibit "B" and otherwise not be in default of terms and conditions contained in this Agreement. In the event that some but not all of the developer requirements are satisfied at the time a reimbursement payment is available, Agency shall follow the procedures contained in *Section 5 Default*.

3.3 Reimbursement. In order to reimburse Developer, for Developer Costs for constructing Developer Improvements on the Property, Agency agrees to make reimbursement payments to Developer as follows:

3.3.1 Reimbursement for Developer Primary Improvements. Agency shall reimburse Developer with one hundred percent (100%) of the Property Tax Increment received by the Agency during the Reimbursement Term (as detailed in *Section 3.3.4 Reimbursement Term*) until the lesser of the following amounts is paid to the Developer: 1) the Developer receives reimbursement for the documented Developer Costs for Developer Primary Improvements; or 2) the Developer receives one million nine hundred and eighty-four thousands dollars (\$1,984,000) which is the amount which equals the Primary Reimbursement Cap. The Parties acknowledge and accept that there is no guarantee that the Developer will receive up to Primary Reimbursement Cap being the one million nine hundred and eighty-four thousands dollars (\$1,984,000) through this Agreement.

3.3.2 Reimbursement for Developer Secondary Improvements. After the reimbursement for Developer Primary Improvements noted above, and so long as the Developer has constructed Secondary Improvements the Agency shall reimburse Developer with fifty percent (50%) of the Property Tax Increment received in a given year by the Agency during the Reimbursement Term (as detailed in *Section 3.3.4 Reimbursement Term*) until the lesser of the following amounts is paid to the Developer: 1) the Developer receives reimbursement for the documented Developer Costs for Developer Secondary Improvements; or 2) the Developer receives two hundred and thirty-four thousands dollars (\$234,000) which is the amount which equals the Secondary Reimbursement Cap. The Parties acknowledge and accept that there is no guarantee that the Developer will receive up to Secondary Reimbursement Cap being the two hundred and thirty-four thousands dollars (\$234,000) through this Agreement. If the Agency receives Property Tax Increment and the Developer does not have any Developer Secondary Improvements constructed and/or otherwise have Developer Secondary

Improvements eligible for reimbursement payments, the Agency may retain and use one hundred percent (100%) of the Property Tax Increment received in that given year.

3.3.3 Reimbursement Payments. Reimbursement payments, are payable solely from the Property Tax Increment received by the Agency from the Tremont Center Community Development Project Area. Reimbursement payments shall be made only if the Developer is eligible for reimbursement payments, then payments shall be no later than thirty (30) days following Agency's receipt of Tax Increment from Box Elder County.

3.3.4 Reimbursement Term. The reimbursement term of this Agreement shall be until whichever of the following events occur first or is the lesser amount paid to the Developer as follows: 1) the payment of Property Tax Increment for fifteen years from the first Property Tax Increment received by the Agency which is the maximum amount that the Taxing Entities has authorized the Agency to receive; or 2) until the Agency no longer receives Property Tax Increment from the Tremont Center Community Development Area by any other means or reason; or 3) until the Developer is reimbursed Developer Costs for Developer Improvements; or 4) until the Developer receives payment up to the Reimbursement Cap. Following any of the aforementioned events and lesser amounts satisfied the Agency shall have no further obligations to Developer and this Agreement shall terminate.

3.4 Developer's Maintenance of Records. Developer shall keep complete and comprehensive records and books of account as to all of its activities, including the performance under this Agreement. Developer shall maintain all records pursuant to Generally Accepted Accounting Principles (GAAP) and pursuant to pronouncements by the Financial Accounting Standards Board (FASB). Agency shall have reasonable access during customary business hours to all records, functions, property and to the extent reasonably available personnel of Developer, associated with determining Developer Cost. Any copies made by the Agency of these records may be subject to the Government Records Access and Management Act (GRAMA).

3.5 Limited Obligation. Agency and Developer acknowledge and agree that Agency's obligation to pay reimbursement payments to the Developer hereunder is a limited obligation payable solely from the Property Tax Increment received by the Agency from the Project Area and supersedes any statement, clause, or notion to the contrary in the Agreement or elsewhere.

3.6 Limitations on Tax Increment. Developer acknowledges that increases in taxes due to a factored increase in the assessed value, a change in the tax rates, or to items described in the Act, cannot be paid by Agency because Agency does not receive these increases as a part of Tax Increment. Further, Tax Increment may be adjusted, diminished or discontinued in the future by actions of governmental agencies and bodies, including, without limitation, the Box Elder County Assessor, the Box Elder County Auditor (which might include, among other things, a reassessment of the Developer Improvements after Agency files its request for Tax Increment), Taxing Entities, the Utah Tax Commission, and the Utah Legislature. Consequently, Agency makes no representation, and Developer assumes all risk, with regard to the availability

and amount of Tax Increment/Property Tax Increment (if any) that will be available to make the reimbursement payments. For purposes of clarification, any limitation on the Tax Increment/Property Tax Increment in this Section does not apply to or include increases in taxes due to re-assessments of the Property to fair market value as may occur from time to time.

3.7 Tax Refunds. Developer agrees that if Box Elder County demands a refund from Agency of any Tax Increment/Property Tax Increment paid to Agency that Agency had previously used for a reimbursement payment, Developer shall immediately, upon notice from Agency, refund to Agency an amount equal to the amount being claimed by Box Elder County, and if Developer has not made such refund by the time that the next reimbursement payment is due, Agency may set off against such reimbursement payment by the amount owed by Developer to Agency.

SECTION 4 REPRESENTATIONS AND WARRANTIES

4.1 Developer's Representations and Warranties. Developer represents and warrants to Agency as follows:

4.1.1 Developer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Utah.

4.1.2 Developer has the full right, power and authority to enter into and perform this Agreement. The execution, delivery, and performance by Developer of this Agreement does not and will not conflict with, or result in the breach or termination of any provision of, or constitute a default under, any indenture, mortgage, deed of trust, lease contract, or other instrument or agreement or any order, judgment, award, or decree to which Developer is subject or by which the assets of Developer may be bound.

4.1.3 Developer has not received notice of any claims, actions, suits, or other proceedings pending or, to the best of Developer's knowledge, threatened by any governmental department or agency, or any other entity or person, pertaining to the Property.

4.1.4 All information provided to Agency to date, was true and correct. All information provided to Agency in all future submittals shall be true and correct.

4.1.5 Neither it, nor any of its members, managers, employees or officers has: (1) provided an illegal gift or payoff to a City or Employee or Elected Officer (as such terms are defined in the Utah Municipal Officers' and Employees' Ethics Act (the "Ethics Act")) or an Agency employee or officer or a former City Employee or Elected Officer or Agency 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 Ethics Act; or (4)

knowingly influenced, and hereby promises that it will not knowingly influence, a City Employee or Elected Officer or an Agency employee or officer or a former City Employee or Elected Officer to breach any of the ethical standards set forth in the Ethics Act.

SECTION 5. DEFAULT

5.1 **Default.** Neither Party shall be in default under this Agreement unless such Party fails to perform an obligation required under this Agreement within thirty (30) days after written notice is given to the defaulting Party by the other Party, reasonably setting forth the respects in which the defaulting Party has failed to perform such obligation. If the nature of the defaulting Party's obligation is such that more than thirty (30) days are reasonably required for performance or cure, the defaulting Party shall not be in default if such Party commences performance within such thirty (30) day period and after such commencement diligently prosecutes the same to completion.

5.2 **Remedies.** In the event of an uncured default by Agency within the applicable time for performance and cure period, Developer shall have all remedies available at law or in equity. In the event of an uncured default by Developer of obligations and covenants within the applicable time for performance and cure period (including, without limitation, any period during which a Mortgagee is entitled to notice and/or may cure), Agency may at its sole decision, either (i) refuse to pay any reimbursement payment until the default is fully cured, or (ii) reduce the amount of the reimbursement payment by the amount incurred by Agency to cure such default and/or the loss sustained by Agency as a result of such default or an amount in the Agency's sole discretion to encourage Developer's compliance to the obligation or cure of the default.

5.3 **Attorneys' Fees.** If either Party to this Agreement or their successors and assigns commences a legal or equitable proceeding, whether litigation, arbitration or otherwise, respecting any question between the Parties to this Agreement arising out of or relating to this Agreement or the breach thereof, the prevailing Party in such dispute resolution proceeding shall be entitled to the recovery of a reasonable attorneys' fee and all other reasonably incurred costs and expenses of the successful prosecution or defense of such proceeding.

SECTION 6. MISCELLANEOUS

6.1 **Recitals and Exhibits.** The above Recitals and Exhibits are incorporated herein as material factual context and expressions of intent for this Agreement and are deemed incorporated herein and made a part hereof for all purposes.

6.2 **Captions.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify or modify the terms and provisions of this Agreement.

6.3 **Number and Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

6.4 Notices. All notices, demands, requests, and other communications required or permitted hereunder shall be in writing and shall be deemed to be delivered, whether actually received or not, three (3) days after deposit in a regularly maintained receptacle for the United States mail, registered or certified (or another commercially acceptable means requiring a return receipt), postage prepaid, addressed as follows:

If to Developer: Tremont Center, LLC
12 W. 100 N.
Tremonton, UT 8337

If to Agency: Redevelopment Agency of Tremonton City
Attention: Executive Director
102 S. Tremont Street
Tremonton, Utah 84337

Such communications may also be given by facsimile transmission or electronic mail, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon the receipt, or upon attempted delivery thereof if the delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means of accomplishing delivery.

6.5 No Presumption. This Agreement shall be interpreted and construed only by the contents hereof and there shall be no presumption or standard of construction in favor of or against either Party.

6.6 Governing Law, Jurisdiction and Venue. This Agreement is intended to be performed in the State of Utah, and the laws of Utah shall govern the validity, construction, enforcement and interpretation of this Agreement. Any legal dispute arising herefrom shall have proper Jurisdiction and Venue in the First District Court of Utah, in and for Box Elder County.

6.7 Integration & Modification. This Agreement contains the entire agreement between the Parties with respect to the subject matter hereof and integrates all prior conversations, discussions or understandings of whatever kind or nature and may only be modified by a subsequent writing duly executed and approved by the Parties hereto.

6.8 Amendments. This Agreement may be amended or supplemented only by an instrument in writing executed by both Agency and Developer.

6.9 Further Acts. In addition to the acts and deeds recited herein and contemplated to be performed, executed and delivered by Agency and Developer, Agency and Developer agree to perform, execute and deliver or cause to be performed, executed, and delivered any and all such further acts, deeds and assurances as may be necessary to consummate the transactions contemplated hereby.

6.10 No Relationship of Principal and Agent. Nothing contained in this Agreement, nor any acts of the Parties, shall be deemed or construed to create the relationship of principal and agent, or of limited or general partnership, or of joint venture or of any other similar association between Agency, its successors or assigns, and Developer, its successors or assigns.

6.11 Transfer and Assignment. Developer may assign this Agreement, subject to the written approval of Agency, such approval not to be unreasonably withheld so long as (a) such assignment is to only one assignee (i.e. there will only be one party as “Developer” hereunder at any given time), (b) such assignee assumes all of the obligations of Developer hereunder pursuant to an agreement in form and substance satisfactory to Agency, and (c) Agency is promptly given notice of such assignment.

6.12 No Third-Party Rights. This Agreement does not create any rights or benefits to third parties unless otherwise expressly stated.

6.13 Non-liability of Agency Officials and Employees. No member, official, or employee of Agency shall be personally liable to Developer, or any successor-in-interest, in the event of any default or breach by Agency, or for any amount which may become due to Developer or its successor, or on any obligation under the terms of this Agreement.

6.14 Governmental Immunity. Nothing in this Agreement shall be deemed to constitute or imply a waiver, modification or alteration of the caps or limitations on liability or privileges, immunities or other protection available to Agency or City under the Utah Governmental Immunity Act or such other statutes or laws affording governmental agencies caps or limitations on liability or privileges, immunities or other protections.

6.15 Indemnity. Developer agrees to hold and indemnify Agency and the City, together with their respective officers, employees and agents harmless from, all liability, loss, damage, costs or expenses (including attorney’s fees and court costs) arising from or as a result of the death of a person or any accident, injury, loss or damage caused to any person or the property of any person which shall occur during the term of this Agreement on the portions of the Property to the extent directly or indirectly caused by the acts, errors or omissions of Developer or its agents, employees, servants or contractors.

6.16 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never composed a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

6.17 Rights of Access. For the purpose of assuring compliance with this Agreement, representatives of Agency and City shall have the right of access to the Property during construction of the Developer Improvements for the purpose of monitoring compliance by Developer with its obligations under this Agreement, including, but not limited to, the inspection of the work being performed.

6.18 Government Records Access Management Act. Any documents received from the Developer or copies made by the Agency of records or documents may be subject to the Government Records Access and Management Act (GRAMA).

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

AGENCY: REDEVELOPMENT AGENCY OF TREMONTON CITY

By _____
Roger Fridal
Chairperson

Attested:

By _____
Darlene S. Hess
Executive Secretary

DEVELOPER: TREMONT CENTER, LLC a Utah limited liability company

By _____
Its Manager

EXHIBIT A

Map and Legal Description of Tremont Center Community Development Project Area and the Property (Tremont Center)

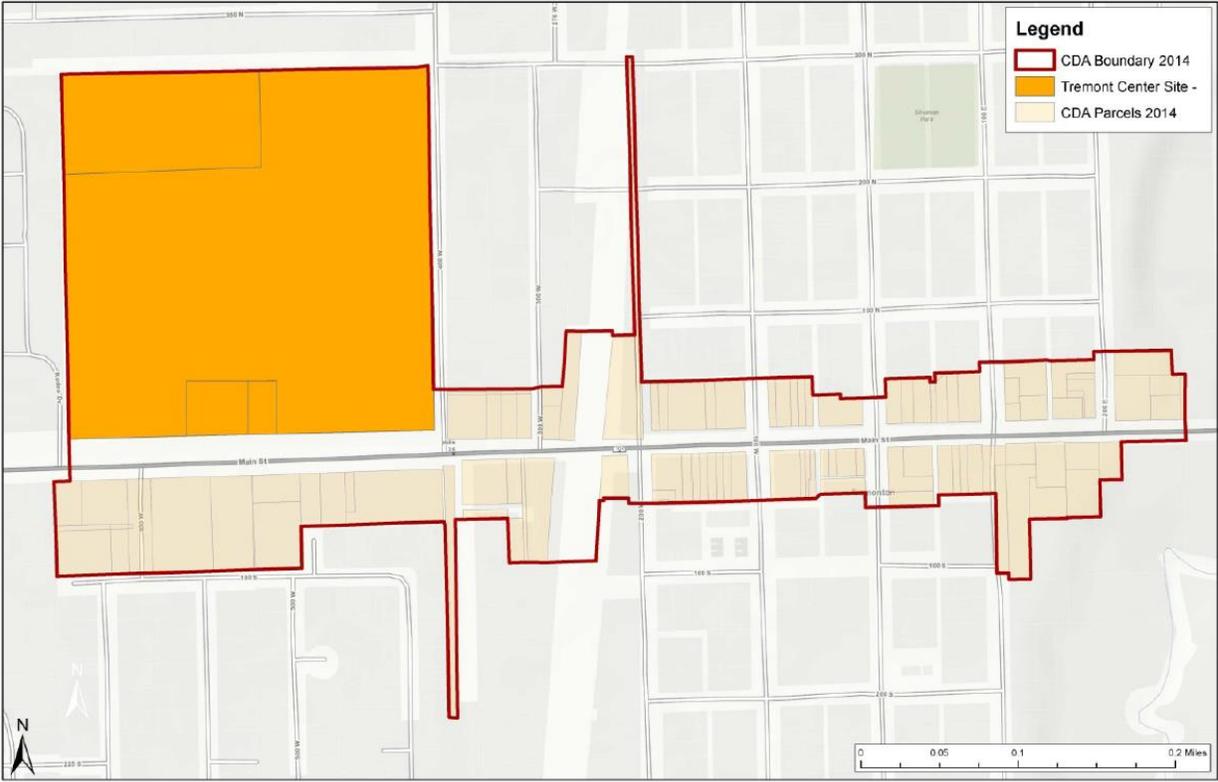


EXHIBIT B

Developer Requirements

Agency shall have no obligation to make a reimbursement payment unless each of the following conditions has been satisfied:

B.1 Developer shall be in good standing with the Agency and City for all financial payments.

B.2 Developer shall not be in default under this Agreement beyond any applicable cure periods.

B.3 Development within the Tremont Center Site shall be held to quality design and construction standards, suitable for residential, retail, office, and commercial development and will be subject to and shall comply with the following: 1) Land Use Authorities' approvals; 2) the City's land use development codes; 3) Tremont Center Design Guidelines & Standards adopted by Tremonton City Resolution No. 15-05, and as amended. Compliance with the aforementioned standards shall be in the sole determination of the Agency.

B.4 Developer shall submit an Owners Association document for the Tremont Center Development (which includes the Tremont Center Subdivision Phase 1, Phase 2, and future phases) to Tremonton City for review and approval. The Owners Association document shall include but is not limited to addressing the management of parking, parking lot maintenance, snow removal, landscaping, landscaping maintenance, storm water, common sign structures, etc. which is requisite for the management of the development and other issues for which Tremonton City has land use authority for as enumerated in UCA 10-9a-102. The approved Owners Association document shall be recorded in the Box Elder County's Records Office.

EXHIBIT C

Developer Improvement Budget

Below is an excerpt from Appendix E: Project Area Budget Narrative, of the Tremont Center Community Development Project Area Plan adopted by the Agency on February 17, 2015 – Resolution No. RDA 15-01 and adopted by Tremonton City on February 17, 2015 – Ordinance No. 15-02 that identifies the amounts for Developer Improvements. This Agreement recognizes and anticipates that some line items for expenditures may be more or less than those enumerated below. The line items for expenditures below shall not be held to strict amounts for each line item but rather the overall amount of \$1,984,000 for Developer Primary Improvements and \$234,000 for Developer Secondary Improvements.

Developer Primary Improvement	Amount
Bury Central Canal	\$1,000,000
Bridges and ROW improvements	\$300,000
Landscaping over the buried canal and pedestrian amenities	\$208,000
Bury overhead power	\$50,000
Water line installation	\$50,000
Bore water line under canal	\$20,000
Demolition of homes	\$350,000
Project Creation Costs Reimbursement	\$6,000
Total	\$1,984,000

Developer Secondary Improvements	Amount
Street trees for public road (or in other locations on the Property as approved by the Agency)	\$84,000
Public plaza or park.	\$150,000
Total	\$234,000