

**INTERLOCAL COOPERATION AGREEMENT
for the South Mountain Community Reinvestment Project Area**

between

REDEVELOPMENT AGENCY OF DRAPER CITY

and

SALT LAKE COUNTY

THIS INTERLOCAL COOPERATION AGREEMENT (“Agreement”) is entered into by and between the **REDEVELOPMENT AGENCY OF DRAPER CITY**, a Utah community development and renewal agency or redevelopment agency (“Agency”), and **SALT LAKE COUNTY**, a body corporate and politic of the State of Utah (“County”). The Agency and the County may collectively be referred to hereinafter as the “Parties” or individually as a “Party.”

RECITALS:

A. The County is a county existing pursuant to Article XI, Section 1 of the Utah Constitution. The Agency is a community reinvestment agency (formerly known as, among other things, a redevelopment agency) created and existing under the Limited Purpose Local Government Entities – Community Reinvestment Agency Act, Utah Code Ann. §§ 17C-1-101 *et seq.*, (the “Act”) or under previous law. The Agency is authorized under the Act to conduct urban renewal, economic development, community development, and community reinvestment activities within Draper, Utah.

B. The governing body of the Agency adopted a resolution on March 27, 2018 authorizing the Agency to commence the process under the Act to create the South Mountain Community Reinvestment Project Area (the “Project Area”). The Agency created the Project Area on March 27, 2018. The Project Area, attached hereto as **EXHIBIT A** (the “Project Area Plan”), pursuant to which the Agency plans to encourage and promote economic development in the Project Area and in the surrounding community.

C. The Act authorizes funding of community reinvestment project areas and plans—such as the Project Area and the Project Area Plan—with property tax increment pursuant to interlocal cooperation agreements with various taxing entities that levy property taxes in a project area. Specifically, Section 17C-5-202 of the Act provides that “an agency shall negotiate and enter into an interlocal agreement with a taxing entity in accordance with Section 17C-5-204 to receive all or a portion of the taxing entity’s tax increment . . . in accordance with the interlocal agreement.” Section 17C-5-204 of the Act provides that an agency may use the taxing entity’s tax increment “[f]or the purpose of implementing a community reinvestment project area plan.”

D. The County, as a taxing entity, now desires to consent to the Agency receiving certain tax increment attributable to the County's Tax Levies (defined below) in accordance with the terms of this Agreement in order to provide funds to the Agency to carry out the Project Area Plan.

E. The Agency and the County are "public agencies" as defined by the Utah Interlocal Cooperation Act, Utah Code Ann. §§ 11-13-101 *et seq.* (the "Interlocal Act"), and, as such, are authorized by the Interlocal Act to enter into this Agreement to act jointly and cooperatively in a manner that will enable them to make the most efficient use of their resources and powers. Additionally, Section 11-13-215 of the Interlocal Act also authorizes a taxing entity to share its tax and other revenues with other public agencies.

A G R E E M E N T:

NOW, THEREFORE, in consideration of the mutual representations, covenants, and agreements contained herein, the sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 - INCORPORATION AND DEFINITIONS

1.1. Incorporation and Definitions. The foregoing recitals and all exhibits attached hereto are hereby made a part of this Agreement. Unless otherwise defined in this Section or in this Agreement, terms shall have the meaning set forth in the Act. For the purposes of this Agreement, the following definitions apply:

- (a) Act: As defined in the Recitals to this Agreement.
- (b) Administrative Fee: As defined in Section 2.2 of this Agreement.
- (c) Affordable Housing Set-Aside: As defined in Section 2.2 of this Agreement.
- (d) Agency: Redevelopment Agency of Draper City
- (e) Agency Administrative Costs: As defined in Section 3.2 of this Agreement.
- (f) Agency Board: The governing body of the Agency.
- (g) Agency's Share: As defined in Subsection 2.2(b) of this Agreement.
- (h) Annual Rebate: As defined in Subsection 2.2(b) of this Agreement.
- (i) Base Tax Year: The 2017 tax year, as defined in Section 2.1 of this Agreement.

- (j) Base Taxable Value: As defined in Section 17C-1-102(8) of the Act.
- (k) City: Draper City
- (l) County: Salt Lake County, a body corporate and politic of the State of Utah.
- (m) County's Contribution: As defined in Subsection 2.2(a) of this Agreement.
- (n) County Tax Increment: The Tax Increment attributable to the County's Tax Levies.
- (o) County's Tax Levies: The County's countywide and library tax levies.
- (p) Countywide Cap: As defined in Section 2.3 of this Agreement.
- (q) Effective Date: As defined in Section 7.1 of this Agreement.
- (r) Event of Default: As defined in Section 6.1 of this Agreement.
- (s) Governmental Authority: Any and all courts, boards, agencies, commissions, offices, divisions, subdivisions, departments, bodies, or authorities of any type of governmental unit (federal, state, or local) whether now or hereafter in existence.
- (t) Library Cap: As defined in Section 2.3 of this Agreement.
- (u) Legal Requirements: Any and all (i) present and future judicial decisions, statutes (including environmental laws), laws, rulings, rules, regulations, orders, writs, injunctions, decrees, permits, certificates or ordinances of any Governmental Authority in any way applicable to the Agency or Project Area and (ii) contracts of any nature that relate in any way to the Project Area and to which Agency may be bound.
- (v) Material Adverse Change: Any event, circumstance, fact, condition, development, or occurrence, directly caused by action or inaction by the Agency or the City, that has had a material and adverse effect on: (i) the completion of any material portion of the redevelopment to be conducted in the Project Area; (ii) the anticipated taxable value of the Project Area as identified in the Project Area Budget; or (iv) the validity, enforceability, or binding effect of this Agreement.
- (w) Project Area: The geographic area described in the Project Area Plan where the community development set forth in the Project Area Plan is intended to take place.
- (x) Project Area Plan: The project area plan approved by the Agency Board in accordance with Sections 17C-5-104 and 17C-5-108 of the Act and adopted by the legislative body of the City in accordance with Section 17C-5-109 of the Act, attached

hereto as **EXHIBIT A**.

(y) Project Area Budget: The project area budget as adopted by the Agency Board in accordance with Section 17C-5-302 of the Act, attached hereto as **EXHIBIT B**.

(z) Property: All locally-assessed and centrally-assessed real and personal property.

(aa) Taxing Entities: Those public agencies identified in the Project Area Budget that levy a tax on Property within the Project Area and are expected to contribute their Tax Increment to the Agency through an Interlocal Cooperation Agreement with the Agency.

(bb) Tax Increment: The difference between the amount of property tax revenues generated each tax year by the Taxing Entities from Property within the Project Area using the current year assessed value of the Property and the amount of property tax revenues that would be generated each tax year by the Taxing Entities from that same Property using the Base Taxable Value of the Property.

(cc) Tax Increment Collection Period: The twenty (20) year period commencing with the Trigger Year.

(dd) Trigger Year: Any tax year between and including the 2018 tax year and the 2020 tax year, as determined by the Agency and evidenced by a written notice from the Agency to the County and to the Salt Lake County Auditor on or before November 1st of the year prior or if no written notice is given then the Trigger Year shall be 2020.

ARTICLE 2 -- PAYMENT OF TAX INCREMENT

2.1. Base Year and Base Taxable Value. The Parties agree that for purposes of calculating the amount of County Tax Increment from the Project Area to be paid by the Salt Lake County Treasurer to the Agency pursuant to this Agreement, the base tax year shall be the 2017 tax year (the "Base Tax Year") and the base taxable value shall be the assessed taxable value of all Property within the Project Area for the Base Tax Year, which, after review of Salt Lake County and Utah State Tax Commission records, the Parties believe is Seven Million Three Hundred Eighty Two Thousand Seven Hundred Dollars and No Cents (\$7,382,700.00). (the "Base Taxable Value").

2.2. Payment of Tax Increment; Affordable Housing Set-Aside; and County Administrative Fee.

(a) Payment of County Tax Increment. Subject to Sections 2.3, 2.4, 2.5 and 2.6, the County hereby agrees and consents that, for each tax year during the Tax Increment Collection Period, the Salt Lake County Treasurer shall pay 100% of County Tax Increment to the Agency (the "County's Contribution") and shall pay the remainder of County Tax Increment, if any, to the County. The Salt Lake County Treasurer shall continue to pay any and all tax revenues attributable to the County's Tax Levies on the

Base Taxable Value of the Project Area to the County. However, the Parties agree that if, during the Tax Increment Collection Period, the Agency or City seeks additional funds from the County in relation to the Project Area—whether tax increment, transportation funds, or otherwise—the County may, in its sole discretion, require the Agency to renegotiate and amend the terms of this Agreement as a condition to providing the additional requested funding.

(b) Annual Rebate. Notwithstanding Subsection 2.2(a), the Parties hereby agree that for each tax year during the Tax Increment Collection Period, the Agency shall transfer an amount equal to 30% of any County Tax Increment it receives from the Salt Lake County Treasurer under this Agreement—that is, an amount equal to 30% of the County’s Contribution—to the County (the “Annual Rebate”). The Agency’s transfer of the Annual Rebate to the County each year shall occur no later than three months following the Agency’s receipt of County Tax Increment from the Salt Lake County Treasurer. The amount equal to the County’s Contribution less the Annual Rebate is hereinafter referred to as the “Agency’s Share.” Thus, for the purposes of this Agreement, the Agency’s Share is generally equal to 70% of County Tax Increment (unless, for example, the Agency’s Share is reduced under Subsection 2.6(a)(1) below or a reduction to the County’s Contribution is triggered under Subsections 2.2(c) or (d) below). However, the Parties agree that if the Annual Rebate in this Subsection 2.2(b) is ever held to be invalid or unenforceable by a court of competent jurisdiction or as a result of legislative or administrative action, or if the County ever provides a written notice to the Agency calling for the elimination of the Annual Rebate in this Subsection 2.2(b) from the Agreement for any other reason, then the Parties agree that, in lieu of the Annual Rebate under this Subsection 2.2(b) and starting with the next tax year for which County Tax Increment has not already been paid to the Agency, the County’s Contribution under Subsection 2.2(a) will be reduced by 25%—in addition to any reduction to the County’s Contribution triggered under Subsections 2.2(c)—and that the Salt Lake County Treasurer shall pay the remainder of County Tax Increment directly to the County. Furthermore, if a reduction to the County’s Contribution is triggered under this Subsection 2.2(b), the Agency agrees that it will not seek repayment of and will waive any claim to any portion of the Annual Rebate that has already been paid to the County.

(c) Administrative Fee. Notwithstanding Subsection 2.2(a) and in addition to Subsections 2.2(b), the Parties hereby agree that for each tax year during the Tax Increment Collection Period, the Agency shall transfer an amount equal to 5% of any Tax Increment it receives under this Agreement to the County for use by the County to cover costs associated with evaluating its participation in the Project Area and ongoing administration of this Agreement (the “Administrative Fee”). The Agency’s transfer of the Administrative Fee to the County each year shall occur no later than three months following the Agency’s receipt of County Tax Increment from the Salt Lake County Treasurer.

(d) Affordable Housing Set-Aside. Notwithstanding the foregoing, the Parties hereby agree that for each tax year during the Tax Increment Collection Period, the Agency shall retain an amount equal to 10% of any Tax Increment it receives and retains

from the Salt Lake County Treasurer—that is, an amount equal to 10% of the Tax Increment generated by all Taxing Entities and paid to the Agency and which the Agency is not required to transfer to a Taxing Entity through a rebate provision, an administrative fees provision, or any similar provisions (the “Affordable Housing Set-Aside”)— for use as provided in Section 17C-1-412(1)(a). Agency agrees to spend at least 90% of its Affordable Housing Set-Aside increment, within 5 years of receipt, for projects that satisfy Section 17C-1-412(1)(a), with a stated preference for a program that primarily targets use by Canyons School District teachers.

2.3. Tax Increment Cap. The total amount of County Tax Increment paid to the Agency from the Project Area during the Tax Increment Collection Period after deducting any Annual Rebates made to the County under Subsection 2.2(b) may not exceed the following limits:

(a)	Countywide Tax Levy:	\$9,905,179.00 (“ <u>Countywide Cap</u> ”)
(b)	<u>Library Tax Levy:</u>	<u>\$2,692,408.00 (“<u>Library Cap</u>”)</u>
	TOTAL	\$12,597,587.00

The Countywide Cap and Library Cap will be proportionally reduced by the amount of any direct expenditures made by the County in the Project Area during the Tax Increment Collection Period (or any extension thereof), including, but not limited to, expenditures related to the design, development, construction, or maintenance of infrastructure or amenities.

2.4. Tax Rate Increases. Unless the County specifically consents in writing through an amendment to this Agreement or in a separate agreement, the Parties agree that the Agency will not be entitled to any portion of County Tax Increment resulting from an increase in the tax rate of the County’s Tax Levies that occurs after the Base Tax Year that is attributable to a tax rate increase enacted pursuant to the requirements of Utah Code Ann. § 59-2-919 (i.e., a Truth-in-Taxation tax rate increase) or the issuance of bonds.

2.5. Conditions Precedent to Contribution of Tax Increment. The Parties agree that this Agreement will terminate and the County will have no obligation to contribute County Tax Increment to the Agency under Section 2.2, unless the following conditions have been satisfied within one hundred eighty (180) days following the Effective Date of this Agreement:

(a) Document Transmission and Recordation. The Agency has transmitted and recorded all necessary documents in accordance with Section 17C-5-111 of the Act.

(b) Interlocal Agreement – City. Pursuant to Sections 17C-5-204 and 17C-5-205, the Agency has entered into an interlocal cooperation agreement with the City wherein the City has agreed to contribute 100% of its Tax Increment to the Agency for the duration of the Tax Increment Collection Period.

(c) Interlocal Agreement – Other Taxing Entities. Pursuant to Sections 17C-5-204 and 17C-5-205, the Agency has entered into an interlocal cooperation agreement with each taxing entity identified in the Project Area Budget wherein each taxing entity

has agreed to contribute their Tax Increment in the amount, at the level, and for the duration specified in the Project Area Budget. Notwithstanding the foregoing, the Agency is not required to enter into an interlocal cooperation agreement with the Salt Lake Valley Law Enforcement Service Area (SLVLESA)—or an interlocal cooperation agreement with SLVLESA may be for a shorter duration than the Tax Increment Collection Period—if and to the extent that: (1) SLVLESA no longer levies a property tax within the Project Area, and (2) the City (i) commits via an interlocal cooperation agreement with the Agency to levy additional property tax within the Project Area in lieu of any property tax formerly levied by SLVLESA in the Project Area and (ii) commits to contribute the tax increment resulting from such additional property tax to the Agency in order to carry out the Project Area Plan and fulfill the Project Area Budget.

(d) No Default. No Event of Default has occurred under this Agreement beyond any applicable cure period, and no event, circumstance or condition has occurred or exists which, with the passage of time or the giving of notice, would constitute an Event of Default under this Agreement.

2.6. Performance Benchmarks.

(a) The Agency shall enter into a tax increment reimbursement agreement with Pluralsight, LLC (the “**Company**”) requiring Company to create within Salt Lake County a minimum of 1,232 “new incremental jobs” that are “high paying jobs,” as defined in Section 63N-2-103 of the Utah Code, by year fifteen (15). The County’s contribution of Tax Increment is conditioned on the execution of the Tax Increment Reimbursement Agreement between the Agency and the Company. If this performance benchmark is not met in full on or before September 30th of the fifteenth (15th) tax year of the Tax Increment Collection Period, then, starting with the sixteenth (16th) tax year of the Tax Increment Collection Period, the Parties agree that:

(1) Any remaining tax increment will be returned to the County, or will be redirected toward a similar purpose through a Project Area Budget amendment contingent upon County approval.

(2) the Agency’s Share of County Tax Increment under Subsection 2.2(b) will be reduced to 0% of County Tax Increment for the remainder of the Tax Increment Collection Period, either by increasing the Annual Rebate under Section 2.2(b) to 100% or, in the event the Annual Rebate has been eliminated, by reducing the County’s Contribution under Subsection 2.2(a) to 0%.

ARTICLE 3 -- ALLOWABLE USES OF COUNTY TAX INCREMENT

3.1. Allowable Project-Related Costs. The Agency shall use County Tax Increment paid to the Agency under this Agreement to pay for:

(a) Publicly Owned Infrastructure and Improvements. The cost of the installation of Publicly Owned Infrastructure and Improvements within the Project Area

that are consistent with the Project Area Plan.

3.2. Allowable Agency Administrative Costs. The Agency may use up to 2.9% of County Tax Increment paid to the Agency under this Agreement to reimburse itself for administrative costs.

ARTICLE 4 -REPRESENTATIONS

4.1. Representations. To induce the County to execute and perform this Agreement, the Agency hereby represents to the County as follows:

(a) Local Community Contribution. The Agency and the City have entered into or will enter into an interlocal cooperation agreement wherein the City has agreed to contribute 100% of its Tax Increment to the Agency for the duration of the Tax Increment Collection Period.

(b) Sufficiency of Tax Increment. To the best of the Agency's current knowledge, the amount of Tax Increment that the Agency expects to receive from all taxing entities that levy a tax in the Project Area, as indicated in the Project Area Budget attached hereto as **EXHIBIT B**, is sufficient to carry out and accomplish the objectives of the Project Area Plan.

(c) Legal Requirements. To the best of the Agency's current knowledge after investigation and due inquiry, the Agency is not in violation of any Legal Requirements and no violation of any Legal Requirements exists with respect to the establishment of the Project Area.

(d) No Violation of Other Agreements. The consummation of the transactions contemplated by this Agreement and the performance of this Agreement will not result in any breach of, or constitute a default under, any agreement or other instrument to which the Agency is a party or by which it may be bound or affected.

(e) Information. To the best of the Agency's current knowledge, the information furnished to the County by the Agency in connection with the CRA Participation Request, attached hereto as **EXHIBIT C**, is true and accurate.

4.2. Effect of Disbursement of County Tax Increment to Agency. The Agency agrees that its receipt of County Tax Increment under this Agreement each year during the Tax Increment Collection Period, constitutes an affirmation that the representations of this Article remain true and correct as of the date thereof, unless the County is notified to the contrary prior to the Agency's receipt of County Tax Increment.

ARTICLE 5 -- COVENANTS AND AGREEMENTS

5.1. Agency Disclosure Report. For each tax year during the Tax Increment Collection Period, the Agency shall prepare and submit an annual disclosure report to the County Council and the County Mayor no later than March 1st of the following year. The disclosure report shall include the information and documentation called for in Countywide Policy No.

1155, attached hereto as **EXHIBIT D**. The Agency shall also submit any information requested by the County relating to the Project Area through a web-based reporting system established by the County.

5.2. Parcels Held By Public Entities. Certain parcels within the Project Area may currently be exempt from property tax either because they are owned by non-taxable entities or because they are being used exclusively for religious, charitable, or educational purposes. If such parcels become taxable after the Base Year and thereby subject to assessment for property tax purposes after the Base Year, for whatever reason, the Parties shall amend this Agreement to include the Base Year value of such parcels, as determined by the Salt Lake County Assessor, in the Base Taxable Value defined by this Agreement.

5.3. Construction of Project. The Agency shall cause the development in the Project Area to be prosecuted with due diligence and continuity and shall complete the development in the Project Area in accordance with the Project Area Plan, the Project Area Budget, and the terms of this Agreement.

5.4. Costs and Expenses. The Agency shall pay all costs and expenses required in connection with its obligations under this Agreement.

5.5. Recordkeeping. The Agency shall maintain records adequate to identify the use of County Tax Increment for the purposes specified in this Agreement. The Agency shall make its books and records available to the County and its representatives at reasonable times.

5.6. Right to Verify and Audit. The County reserves the right to verify the information furnished to the County by the Agency in connection with the CRA Participation Request and to audit the Agency's use of Tax Increment, including County Tax Increment, received by the Agency under this Agreement and other agreements as well as the accounting of such use of Tax Increment, including County Tax Increment. If the County requests an audit, the Agency agrees to cooperate fully with the County and its representatives in the performance of the audit.

5.7. Noncompliance. The Agency agrees that the County may withhold its Tax Increment or require repayment of County Tax Increment from the Agency for noncompliance with this Agreement, for failure to comply with directives regarding the use of Tax Increment, or for misuse of Tax Increment.

5.8. No Officer or Employee Interest. The Agency represents and agrees that no officer or employee of the Agency or the County has or shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds resulting from the performance of this Agreement.

5.9. Ethical Standards. The Agency represents that it has not: (a) provided an illegal gift in connection with this Agreement to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial

agencies established for the purpose of securing such agreements; (c) breached any of the ethical standards in connection with this Agreement set forth in State statute or Salt Lake County Code of Ordinances § 2.07; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, in connection with this Agreement, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County ordinances.

5.10. No Sales Tax Contribution. This Agreement does not include a contribution of sales and use tax, and the Agency shall not seek a contribution of sales and use tax from the County with respect to the Project Area.

5.11. Affordable Housing Set-Aside. The Agency shall spend at least 90% of its Affordable Housing Set-Aside increment, within 5 years of receipt, for projects that satisfy Section 17C-1-412(1)(a). The covenant contained in this Section 5.11 is intended to survive expiration or termination of this Agreement.

ARTICLE 6 -- DEFAULTS AND REMEDIES

6.1. Agency Event of Default. The occurrence of any one or more of the following shall constitute an “Event of Default” as such term is used herein:

(a) Any representation or statement made by (or on behalf of) the Agency in this Agreement or in connection with the Agency’s CRA Participation Request proves untrue in any material respect.

(b) Failure of the Agency to comply with any of the terms, conditions, covenants, or provisions of this Agreement that is not fully cured by the Agency on or before the expiration of a thirty (30) day period commencing upon the County’s written notice to the Agency of the occurrence thereof.

(c) The Agency makes changes to the Project Area Plan or the Project Area Budget without prior written consent from the County.

(d) The County reasonably determines that the Agency’s use of County Tax Increment or Tax Increment differs materially from the uses identified and contemplated by the Project Area Plan and Project Area Budget.

(e) The County reasonably determines that the Agency’s actions or activities within the Project Area materially deviate from those authorized by the Act.

(f) The County reasonably determines that a Material Adverse Change has occurred that is not fully cured by the Agency on or before the expiration of a thirty (30) day period commencing upon the County’s written notice to the Agency of the occurrence thereof.

(g) The failure of any developer or contractor that has entered into a Participation Agreement with the Agency to complete a material portion of the redevelopment within the Project Area, whether such failure is due to bankruptcy,

insolvency, economic conditions or otherwise, and the failure of the Agency to cause the such redevelopment to be completed by a new substitute developer or contractor within three-years of the completion date contemplated by the Project Area Plan and Project Area Budget for such redevelopment.

6.2. County's Remedies in the Event of Default. Upon the occurrence of any Event of Default, the County may, in its sole discretion, and in addition to all remedies conferred upon the County by law or equity and other provisions of this Agreement, pursue any one or more of the following remedies concurrently or successively, it being the intent hereof that none of such remedies shall be to the exclusion of any other:

- (a) Direct the Salt Lake County Auditor and/or Salt Lake County Treasurer to withhold further disbursement of County Tax Increment to the Agency; and/or
- (b) Direct the Salt Lake County Auditor and/or Salt Lake County Treasurer to reduce the amount of any disbursement of County Tax Increment to the Agency; and/or
- (c) Terminate this Agreement.

ARTICLE 7 -- GENERAL PROVISIONS

7.1. Effective Date. This Agreement will become effective immediately upon the completion of the following: (i) the approval of the Agreement by the governing bodies of the County and the Agency, including the adoption of any necessary resolutions or ordinances by the County and the Agency authorizing the execution of this Agreement by the appropriate person or persons for the County and the Agency, respectively, (ii) the execution of this Agreement by a duly authorized official of each of the Parties, (iii) the submission of this Agreement to an attorney for each Party that is authorized to represent said Party for review as to proper form and compliance with applicable law, pursuant to Section 11-13-202.5 of the Interlocal Cooperation Act, and the approval of each respective attorney, (iv) the filing of a copy of this Agreement with the keeper of records of each Party, and (v) the publication of a summary of this Agreement pursuant to Section 17C-5-205 of the Act (the "Effective Date").

7.2. Termination. This Agreement will terminate on the earlier of the following: (i) 180 days after the Effective Date of this Agreement, if the conditions listed in Section 2.5 have not been satisfied prior to that date; (ii) December 31, 2020, if the Tax Increment Collection Period has not been triggered prior to that date, as evidenced by a written notice from the Agency to the County and the Salt Lake County Auditor prior to that date; (iii) the date that the Tax Increment Collection Period expires; or (iv) the date the County terminates this Agreement due to an Event of Default under Section 6.1.

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

- (a) This Agreement shall be authorized by a resolution of the legislative body of each Party pursuant to and in accordance with the provisions of Section 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 in behalf of each Party pursuant to and in accordance with Section 11-13-202.5 of the Interlocal Act.

(c) A duly executed original counterpart of this Agreement shall be filed immediately with the keeper of records of each Party pursuant to Section 11-13-209 of the Interlocal Act.

(d) The term of this Agreement, including any extensions, shall not exceed fifty (50) years pursuant to Section 11-13-216 of the Interlocal Act.

(e) Except as otherwise specifically provided herein, each Party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs.

(f) No separate legal entity is created by the terms of this Agreement and no facility or improvement will be jointly acquired, jointly owned, or jointly operated by the Parties under this Agreement.

(g) To the extent this Agreement requires administration other than as set forth herein, it shall be administered by the chief administrative officer of each Party pursuant to Section 11-13-207 of the Interlocal Act.

7.4. Publication of Notice. Immediately after execution of this Agreement by the Parties, the Agency shall cause to be published a notice regarding this Agreement and the Parties' resolutions authorizing this Agreement, as provided and allowed pursuant to Section 11-13-219 of the Interlocal Act and in accordance with Section 17C-5-205 of the Act. The County agrees that the Agency shall cause such publication of notice to be made on the County's behalf and at the Agency's expense, in a joint publication.

7.5. Notices.

(a) Form of Notice. All notices, communications, requests, and waivers required or permitted under this Agreement ("Notices") must be in writing and must be signed by a person duly authorized to provide such notice.

(b) Method of Notice. All Notices shall be given (i) by delivery in person, (ii) by a nationally recognized next day courier service; or (iii) by first class, registered or certified mail, postage prepaid. Notices may also be given by electronic mail, provided that any such communication is concurrently given by one of the methods set forth in the preceding sentence. All Notices shall be addressed in each case as follows (or to such other address as either party may specify in writing from time to time):

To Agency: Redvelopment Agency of Draper City
1020 East Pioneer Road
Draper, Utah 84020

With a copy to: David Dobbins
1020 East Pioneer Road
Draper, Utah 84020

To County: Salt Lake County
Office of Regional Development
2001 South State Street, S2-100
PO Box 144575
Salt Lake City, Utah 84114-4575
Attn: Mr. Stuart Clason

With a copy to: Office of the District Attorney
Civil Division
35 East 500 South
Salt Lake City, Utah 84111
Attn: Ms. Dianne Orcutt

(c) Receipt of Notice. All Notices sent pursuant to this Section will be deemed to have been duly given: (i) if delivered in person, on the date of delivery, (ii) if transmitted by national overnight courier (with confirmation of delivery), on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

7.6. Governmental Immunity, Liability, and Indemnification.

(a) Governmental Immunity. Both Parties are governmental entities under the Governmental Immunity Act of Utah, §§ 63G-7-101 *et seq.* (the “Immunity Act”). Neither Party waives any defenses or limits of liability available under the Immunity Act and other applicable law. Both Parties maintain all privileges, immunities, and other rights granted by the Immunity Act and all other applicable law.

(b) Liability and Indemnification. The County and the Agency agree to be liable for their own negligent acts or omissions, or those of their authorized employees, officers, and agents while engaged in the performance of the obligations under this Agreement, and neither the County nor the Agency will have any liability whatsoever to the other Party or any third party for any negligent act or omission of the other Party, its employees, officers, or agents. However, the Agency shall indemnify, defend, and hold harmless the County, its officers, employees and agents (the “Indemnified Parties”) from and against any and all actual or threatened claims, losses, damages, injuries, debts, and liabilities of, to, or by third parties, including demands for repayment or penalties, however allegedly caused, resulting directly or indirectly from, or arising out of: (i) the Agency’s breach of this Agreement; (ii) any acts or omissions of or by the Agency, its agents, representatives, officers, employees, or subcontractors in connection with the performance of this Agreement; (iii) or the Agency’s use of County Tax Increment. The Agency agrees that its duty to defend and indemnify the Indemnified Parties under this

Agreement includes all attorney's fees, litigation and court costs, expert witness fees, and any sums expended by or assessed against the County for the defense of any claim or to satisfy any settlement, arbitration award, debt, penalty, or verdict paid or incurred on behalf of the County. The Parties agree that the requirements of this Paragraph will survive the expiration or sooner termination of this Agreement.

7.7. Modification and Amendment. This Agreement may be amended, enlarged, modified or altered only by an instrument in writing signed by the Parties. If the modification or amendment is material, the modification or amendment will become effective immediately upon the completion of the following: (i) the approval of the amendment by the governing bodies of the County and the Agency, including the adoption of any necessary resolutions or ordinances by the County and the Agency authorizing the execution of the amendment by the appropriate person or persons for the County and the Agency, respectively, (ii) the execution of the amendment by a duly authorized official of each of the Parties, (iii) the submission of the amendment to an attorney for each Party that is authorized to represent said Party for review as to proper form and compliance with applicable law, pursuant to Section 11-13-202.5 of the Interlocal Act, and the approval of each respective attorney, (iv) the filing of a copy of the amendment with the keeper of records of each Party, and (v) the publication of a summary of the amendment pursuant to Section 17C-5-205 of the Act.

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

7.9. Entire Agreement. This Agreement and the exhibits attached hereto constitute the entire agreement between the Parties pertaining to the subject matter hereof, and all prior agreements, representations, negotiations and understandings of the Parties hereto, oral or written, express or implied, are hereby superseded by this Agreement. This Agreement may not be enlarged, modified or altered, except in writing, signed by the Parties as explained in Section 7.7 above.

7.10. No Waiver. The failure of either Party at any time to require performance of any provision or to resort to any remedy provided under this Agreement will in no way affect the right of that Party to require performance or to resort to a remedy at any time thereafter. Additionally, the waiver of any breach of this Agreement by either Party will not constitute a waiver as to any future breach, and no extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.

7.11. No Obligations to Third Parties. The Parties agree that the Agency's obligations under this Agreement are solely to the County and that the County's obligations under this Agreement are solely to the Agency. The Parties do not intend to confer any rights to third parties unless otherwise expressly provided for under this Agreement.

7.12. Agency. No officer, employee, or agent of one Party is intended to be an officer, employee, or agent of the other Party. None of the benefits provided by one Party to its

employees including, but not limited to, workers' compensation insurance, health insurance and unemployment insurance, are available to the officers, employees, or agents of the other Party. The Agency and the County will each be solely and entirely responsible for its acts and for the acts of its officers, employees, or agents during the performance of this Agreement.

7.13. Assignment. No Party may assign its rights, duties or obligations under this Agreement without obtaining prior written consent from the other Party.

7.14. Governing Law and Venue. The laws of the State of Utah govern all matters arising out of this Agreement. Venue for any and all legal actions arising hereunder will lie in the District Court in and for the County of Salt Lake, State of Utah.

7.15. Severability. If any provision of this Agreement and any related document shall be held invalid or unenforceable by any court of competent jurisdiction or as a result of future legislative action, and if the rights or obligations of any Party hereto under this Agreement will not be materially and adversely affected thereby, the Parties agree that:

- (a) such holding or action will be strictly construed;
- (b) such provision will be fully severable;
- (c) this Agreement will be construed and enforced as if such provision had never comprised a part hereof;
- (d) the remaining provisions of this Agreement and related documents will remain in full force and effect and will not be affected by the invalid or unenforceable provision or by its severance from this Agreement; and
- (e) in lieu of such illegal, invalid, or unenforceable provision, the Parties hereto will use commercially reasonable efforts to negotiate in good faith a substitute, legal, valid, and enforceable provision that most nearly effects the Parties' intent in entering into this Agreement.

7.1. Survival of Certain Provisions. All provisions of this Agreement which expressly or impliedly contemplate performance after expiration or termination hereunder shall survive such expiration or termination.

7.2. Counterparts. This Agreement may be executed in counterparts and all so executed will constitute one agreement binding on all the Parties, it being understood that all parties need not sign the same counterpart. Further, executed copies of this Agreement delivered by facsimile or email will be deemed an original signed copy of this Agreement.

Each Party hereby signs this Interlocal Cooperation Agreement on the date written by each Party on the signature pages attached hereto.

[The balance of this page was left blank intentionally – Signature pages follow]

INTERLOCAL AGREEMENT -- SIGNATURE PAGE FOR COUNTY

SALT LAKE COUNTY:

By _____
Mayor Ben McAdams or Designee

Dated: _____, 2018

Approved as to Form and Legality:

SALT LAKE COUNTY DISTRICT ATTORNEY

By _____
Deputy District Attorney

[Signatures continue on next page.]

INTERLOCAL AGREEMENT -- SIGNATURE PAGE FOR AGENCY

**REDEVELOPMENT AGENCY OF DRAPER
CITY:**

By _____

Name: _____

Title: _____

Dated: _____, 2018

Approved as to Form and Legality:

ATTORNEY FOR AGENCY

By _____

Name: _____

Attorney for Agency

Dated: _____, 2018

LIST OF EXHIBITS

EXHIBIT A	Project Area Plan
EXHIBIT B	Project Area Budget
EXHIBIT C	Redevelopment Agency of Draper City's CRA Participation Request
EXHIBIT D	Countywide Policy No. 1155

DRAFT