

05-0428

AGREEMENT BETWEEN PARK CITY AND
THE REDEVELOPMENT AGENCY OF PARK CITY

THIS AGREEMENT is made and entered into as of this 28 day of April, 2005, between PARK CITY, a political subdivision of the State of Utah, (the "City") and the REDEVELOPMENT AGENCY OF PARK CITY, a body corporate and politic of the State of Utah, (the "Agency");

WITNESSETH:

WHEREAS, pursuant to the Utah Redevelopment Agencies Act, Chapter 4, Title 17B, Utah Code Annotated, 1953, as amended (the "Act"), the Agency is authorized to use its tax increment revenues provided for in Part 10 of the Act (the "Tax Increment Revenues") from its Main Street/Swede Alley Redevelopment Project Area, (the "Project Area") for (among other things) the construction and improvement of road, parking, and pedestrian facilities, a community plaza, and certain other permitted improvements within the Project Area (collectively, the "Permitted Improvements"); and

WHEREAS, the Agency and the City are desirous that certain of the Permitted Improvements (the "Project") as described in Exhibit A attached hereto be made within the Project Area for the purpose of furthering redevelopment and other objectives of the Agency and the general health and welfare of the City and its residents; and

WHEREAS, pursuant to Sections 17B-4-103 and 17B-4-1007 of the Act, the City may pay for the costs of the Project, and the Agency may agree to reimburse the City or such other public corporation for the costs thereof by periodic payments over a period of years after giving 15 days public notice of such intention; and

WHEREAS, a notice to such effect was published on April 13, 2005; and

WHEREAS, the City and the Agency are both beneficiaries of the direct and collateral benefits from the construction of the Project; and

WHEREAS, the City desires to proceed with the construction of the Project, with the understanding that the Agency will reimburse it for a portion of the costs of the Project as provided herein, and the Agency desires that the City undertake such construction and will agree to reimburse the City for payments made with respect to the Project as provided herein; and

WHEREAS, on April 28, 2005 the Board of Directors of the Agency and the City Council of the City each adopted resolutions, finding that the Permitted Improvements are of benefit to the Project Area and approving the execution and delivery of this Agreement and the transaction contemplated hereby; and

WHEREAS, under the applicable provisions of the Redevelopment Act, the Agency from time to time may issue its bonds and incur debt (collectively, the "Agency Debt") payable from the Tax Increment Revenues; and

WHEREAS, the Agency and the City have agreed that the Agency's obligation to the City under this Agreement will be junior and subordinate to all of the Agency's Debt and any related obligations, and that the execution of this Agreement shall not in any way limit the ability of the Agency to issue or incur additional Agency Debt; and

WHEREAS, the Agency will pledge the Tax Increment Revenues for use with respect to the Project pursuant to this Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties mutually agree and covenant as follows:

1. Definitions. Terms defined in the foregoing recitals shall have the same meaning when used herein.

2. Project Description; Financing; Bonds. The Project will be located within Project Area and will include all or a portion (as determined by the City) of the improvements set forth in Exhibit A. The City will cause the Project or portions of the Project to be constructed. The City may elect to initially pay for costs of the Project by (i) bonds issued by the City and (ii) any legally available City funds. Nothing herein shall be construed to require the City to advance funds or issue bonds to finance the costs of the Project beyond that approved from time to time by the City Council of the City.

3. Agency Obligations.

a. Commitment of Tax Increment Revenue. From and to the extent of available Tax Increment Revenues, after payment of the Agency's obligations with respect to the Agency Debt, the Agency agrees to reimburse the City for paying the costs of the Project. As the City pays costs of the Project, the City and the Agency shall note amounts spent by the City on the schedule attached hereto as Exhibit B. As the Agency receives Tax Increment Revenues in excess of the amounts required for Agency Debt, the Agency shall begin reimbursing the City for such amounts advanced by the City and such payments shall be noted on the schedule attached hereto as Exhibit C. The Agency hereby pledges such Tax Increment Revenues (junior and subordinate to any current or future pledge for any Agency Debt) to the repayment of the amounts shown on Exhibit B. The Agency shall make each payment at such times in each year as the Agency has Tax Increment Revenues in excess of amounts required to be paid with respect to the Agency Debt. All of the Agency's obligations hereunder constitute indebtedness on the part of the Agency for purposes of the Act. The Agency shall be obligated to make payments to the City only to the extent that the City has made the corresponding payment for the costs of the Project.

b. Termination of Agency Obligation. Payments not made by the Agency on or before the expiration of the Tax Increment Revenue funding received by the Agency pursuant to the Act shall no longer be an obligation of the Agency, if the funds are legally unavailable for such purposes or payment.

c. Subordination; No Limit on Additional Agency Debt. The parties mutually understand that the Agency shall pay the amounts due hereunder to the extent funds are available from the Tax Increment Revenues for the Project; however, the parties specifically acknowledge and understand that said payments are subordinate to and shall be made after payment of other Agency commitments, including the Agency Debt. Nothing contained herein shall in any way limit the ability of the Agency to issue or incur additional Agency Debt.

4. Term. This Agreement shall commence on the date of final execution by all parties and shall continue through the earlier of (i) the payment of all obligations of the Agency hereunder or (ii) the last date when the Agency may receive and use Tax Increment Revenues for amounts owing hereunder, unless changed by mutual agreement in writing by all parties.

5. Integrated Contracts. This Agreement, together with the exhibits hereto, contains the entire agreement of the parties and no statements, promises, or inducements made by any party or agents that are not contained in this Agreement shall be binding or valid. This Agreement may not be altered, or amended, except upon agreement of all parties and in writing executed by the parties hereto. Additions, deletions, or changes in the provisions of this Agreement that do not comply with this requirement shall not be binding on any party.

6. Severability.

a. If any clause, sentence or paragraph of this Agreement, except Paragraphs 2 or 3, is declared to be invalid, by a court of competent jurisdiction, such declaration shall not affect the remaining portions.

b. In the event that Paragraphs 2 or 3, or the contribution of any party, is declared to be invalid, such paragraph or contribution is deemed a material element of this Agreement and the entire Agreement shall be invalid.

c. No party shall take any action to invalidate this Agreement; provided however, any party may seek a declaratory judgment pertaining to the rights, obligations and responsibilities of the parties.

7. Notices. All notices required under this agreement shall be sent as follows:

Park City:

Park City Municipal Corporation
Marsac Municipal Building
445 Marsac Avenue
PO Box 1480
Park City, Utah 84060

Redevelopment Agency of
Park City:

Redevelopment Agency of
Park City
Marsac Municipal Building
445 Marsac Ave.
PO Box 1480
Park City, Utah 84060

Each party may designate further or different addresses or individuals to which subsequent notices shall be sent.

IN WITNESS WHEREOF: (A) the City by resolution duly adopted by the City Council has authorized this Agreement to be signed by the Mayor and attested to by its City Recorder and (B) the Redevelopment Agency of Park City by resolution duly adopted by its Board has authorized this Agreement to be signed by its Chair and its Secretary all as of the day and year first above written.

PARK CITY

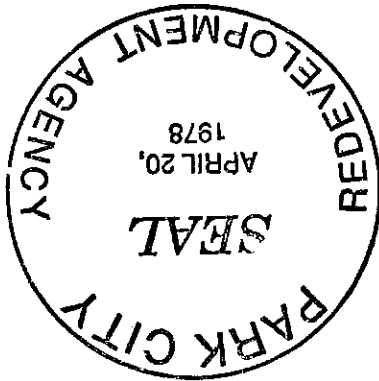
By: *Dana Williams*
Mayor

ATTEST:

By: *Janet M. Scott*
City Recorder



REDEVELOPMENT AGENCY OF PARK CITY



By: *Dana Williams*
Chair

By: *Janet M. Scott*
Secretary

EXHIBIT A

PROJECT

The Project consists of the following:

(i) the reconstruction of certain portions of Prospect Avenue and the construction and equipping of related pedestrian and utility improvements;

(ii) expansion and improvement of the parking structure located in Swede Alley, including increasing the number of parking stalls, creating a ramp system and related pedestrian and land improvements; and

(iii) the design, construction and equipping of a City Plaza to be used as an outdoor community gathering place.

EXHIBIT B

NOTATION OF CITY ADVANCES

<u>Date of Advance</u>	<u>Amount Advanced</u>	<u>Purpose</u>
	\$	

EXHIBIT C

NOTATION OF AGENCY PAYMENTS TO CITY

<u>Payment Date</u>	<u>Amount Paid</u>	<u>Payment Date</u>	<u>Amount Paid</u>
	\$		\$