

City of Draper, Utah

September 15, 2015

The City Council (the "Council") of the City of Draper, Utah, met in regular public session at the regular meeting place of the Council in Draper, Utah, on Tuesday, September 15, 2015, at the hour of 7:00 p.m., with the following members of the Council being present:

Troy K. Walker	Mayor
William Colbert	Councilmember
Bill Rappleye	Councilmember
Jeff Stenquist	Councilmember
Alan Summerhays	Councilmember
Marsha Vawdrey	Councilmember

Also present:

David Dobbins	City Manager
Rachelle Conner	City Recorder
Bob Wylie	Finance Director

Absent:

None

The meeting was duly called to order and the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this September 15, 2015, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and adopted by the following vote:

AYE:

Councilmember Colbert	Councilmember Summerhays
Councilmember Rappleye	Councilmember Vawdrey
Councilmember Stenquist	

NAY:

None

The resolution is as follows:

RESOLUTION NO. 15-52

A RESOLUTION OF THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF DRAPER, UTAH (THE "CITY"), PLEDGING CERTAIN SALES TAX REVENUES UNDER AN INTERLOCAL SALES TAX PLEDGE AND LOAN AGREEMENT TOWARD THE PAYMENT OF THE REDEVELOPMENT AGENCY OF DRAPER CITY, UTAH'S (THE "AGENCY") TAX INCREMENT AND SALES TAX REVENUE BONDS, SERIES 2015 TO BE ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,000,000 (THE "SERIES 2015 BONDS"); SETTING A PUBLIC HEARING DATE; AND RELATED MATTERS.

WHEREAS, pursuant to Section 17C-1-207 of the Limited Purpose Local Government Entities—Community Development and Renewal Agencies Act, the City of Draper, Utah (the "City") may lend, grant or contribute funds to the Redevelopment Agency of Draper City, Utah (the "Agency") to assist with economic development or community development projects; and

WHEREAS, the City Council (the "Council") of the City desires to approve an Interlocal Sales Tax Pledge and Loan Agreement (the "Interlocal Agreement"), by and between the City and the Agency, a copy of which is attached hereto as Exhibit B; and

WHEREAS, the Agency desires to issue its not to exceed amount of \$7,000,000 Redevelopment Agency of Draper City, Utah Tax Increment and Sales Tax Revenue Bonds, Series 2015 (the "Series 2015 Bonds") and pursuant to the Interlocal Agreement, the City will pledge to the Agency certain sales tax revenues (the "Sales Tax Revenues") for the payment of the Series 2015 Bonds; and

WHEREAS, the City desires to give notice of its intent to enter into the Interlocal Agreement and call a public hearing for this purpose and to publish a Notice of Intent to Enter into Interlocal Agreement and Notice of Public Hearing in a manner similar to that provided in the Local Governing Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended.

NOW THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Draper, Utah, as follows:

Section 1. The terms defined or described in the recitals hereto shall have the same meanings when used in the body of this Resolution.

Section 2. All actions heretofore taken (not inconsistent with the provisions of this Resolution), by the Council and by the officers of the City directed toward the issuance and sale of the Series 2015 Bonds and the pledge of the Sales Tax Revenues for the payment of the Series 2015 Bonds, are hereby ratified, approved, and confirmed.

Section 3. The City hereby authorizes the pledge of the Sales Tax Revenues under the Interlocal Agreement toward the payment of the Series 2015 Bonds (with such

priority of pledge as determined by the Finance Director to be most prudent and in keeping with existing contractual obligations) and the taking of all other actions in connection therewith.

Section 4. The City hereby directs giving notice of its intent to enter into the Interlocal Agreement and the City shall hold a public hearing on October 20, 2015, to receive input from the public with respect to the pledge of Sales Tax Revenues to assist the Agency in connection with the issuance of the Series 2015 Bonds, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is (A) first published once a week for two consecutive weeks in The Salt Lake Tribune and the Deseret News, newspapers of general circulation in the City, (B) published on the Utah Public Notice Website created under Section 63F-1-701 Utah Code Annotated 1953, as amended, no less than 14 days before the public hearing date, and (C) posted on the Utah Legal Notices Website (www.utahlegals.com) under Section 45-1-101, Utah Code Annotated 1953, as amended. The City Recorder shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the City's principal offices for public examination during the regular business hours of the City until at least thirty (30) days from and after the date of publication thereof. The Notice of Intent to Enter into Interlocal Agreement and Notice of Public Hearing was in the following form:

NOTICE OF INTENT TO ENTER INTO INTERLOCAL AGREEMENT AND NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on September 15, 2015, the City Council (the "City Council") of the City of Draper, Utah (the "City") adopted a resolution (the "Resolution") declaring its intent to enter into an Interlocal Sales Tax Pledge and Loan Agreement (the "Interlocal Agreement") between the City and the Redevelopment Agency of the City of Draper, Utah (the "Agency") whereby the City may grant or contribute funds to the Agency to assist in the refinancing of certain outstanding obligations of the Agency, which refinancing is to be accomplished through the Agency's issuance of its Tax Increment and Sales Tax Revenue Bonds, Series 2015 (with such additional or other designation(s) as the Agency may determine) (the "Series 2015 Bonds") issued pursuant to the Limited Purpose Local Government Entities—Community Development and Renewal Agencies Act, Title 176, Utah Code Annotated 9143, as amended, (the "Redevelopment Act"), the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Municipal Bond Act"), the Interlocal Cooperation Act (the "Interlocal Cooperation Act") and other provisions of state law. Pursuant to an Interlocal Sales Tax Pledge and Loan Agreement (the "Interlocal Agreement"), by and between the City and the Agency, the City intends to pledge certain sales tax revenues (the "Sales Taxes") to assist the Agency in connection with the issuance by the Agency of the Series 2015 Bonds and to call a public hearing to receive input from the public with respect to the use of the sales taxes in connection with the issuance of the Series 2015 Bonds.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The City shall hold a public hearing on October 20, 2015, at the hour of 7:00 p.m. The location of the public hearing is at the City's office at 1020 East Pioneer Road, Draper City, Utah. The purpose of the hearing is to receive input from the public with respect to the City's pledge of the Sales Taxes in connection with the Agency's issuance of the Series 2015 Bonds. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING SERIES 2015 BONDS

The Agency intends to issue the Series 2015 Bonds for the purpose of (i) refinancing certain development agreements with certain private property owners, (Boyer, Arbor and Kohl's) (the "Project") for savings, (ii) fund a debt service reserve fund, if necessary, and (iii) paying issuance expenses to be incurred in connection with the issuance and sale of the Series 2015 Bonds.

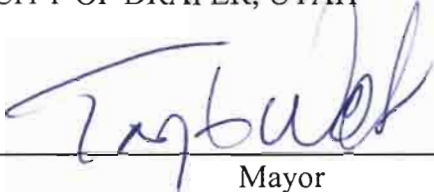
Section 5. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

PASSED, ADOPTED AND APPROVED this September 15, 2015.

CITY OF DRAPER, UTAH

(SEAL)





Mayor

ATTEST:



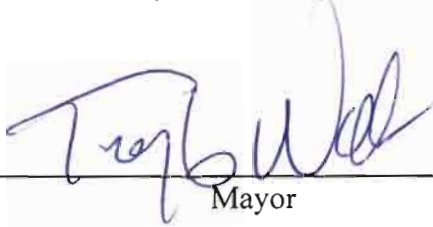
City Recorder

(Here follows business not pertinent to the above.)

Pursuant to motion duly made and seconded, the City Council adjourned.

(SEAL)





Mayor

ATTEST:



City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Rachele Conner, the duly qualified and acting City Recorder of the City of Draper, Utah (the "City"), do hereby certify according to the records of the City Council (the "Council") in my possession, that the foregoing constitutes a true, correct, and complete copy of a resolution adopted by the Council at a meeting held on September 15, 2015.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the City Recorder this September 15, 2015.



By: 
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Rachele Conner, the duly qualified and acting City Recorder of the City of Draper, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, there was given not less than twenty-four (24) hours public notice of the agenda, date, time, and place of the September 15, 2015, public meeting held by the City as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the City's offices on September 11, 2015, at least twenty-four (24) hours prior to the convening of said meeting, the Notice having continuously remained so posted and available for public inspection until the completion of said meeting; and

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to The Salt Lake Tribune and the Deseret News, on September 11, 2015, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2015 Annual Meeting Schedule for the Board (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Board to be held during the year, by causing said Notice to be (i) posted on December 19, 2014, at the principal offices of said Issuer, (ii) provided to at least one newspaper of general circulation within the Issuer on December 21, 2015, and (iii) published on the Utah Public Notice Website (<http://pmn.utah.gov>).

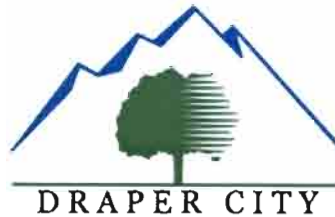
IN WITNESS WHEREOF, I have hereunto subscribed my official signature this September 15, 2015.

(SEAL)



By:  _____
City Recorder

ATTACHMENTS
SCHEDULE 1—MEETING NOTICE
SCHEDULE 2—ANNUAL MEETING NOTICE



CITY COUNCIL AGENDA

Notice is hereby given that the Draper City Council will hold a **Business Meeting** on **Tuesday, September 15, 2015**, in the City Council Chambers at 1020 East Pioneer Road, Draper, Utah.

The Agenda will be as follows:

5:30 p.m. STUDY MEETING

Dinner

1.0 Discussion: Recreation Center

2.0 Council / Manager Reports

7:00 p.m. BUSINESS MEETING

1.0 Call to Order: Mayor Troy K. Walker

2.0 Thought/Prayer and Pledge of Allegiance

3.0 Oath of Office - Mayor's Youth Council

4.0 Public Comments

To be considerate of everyone attending the meeting, public comments will be restricted to items not listed on the agenda and limited to three minutes per person. Comments which cannot be made within these limits should be submitted in writing to the City Recorder prior to noon the day before the meeting. Comments pertaining to an item on the agenda should not be given at this time but should be held until that item is called.

5.0 Consent Items

- a. Approval of September 1, 2015, City Council Minutes**
Documents: [9.1.15 CC Minutes.pdf](#)
- b. Approval of September 8, 2015, City Council Minutes**
Documents: [9.8.15 CC Minutes.pdf](#)
- c. Approval of Resolution #15-48, Appointing Hazel Dunsmore as Human Resource Director. Staff: David Dobbins**
Documents: [Resolution 15-48.pdf](#)

- d. **Approval of Resolution #15-49**, Appointing Mike Barker as the Draper City Attorney. Staff: David Dobbins
Documents: [Resolution Appointing Mike Barker City Attorney.pdf](#)
- 6.0 **Action Item: Ashford Assisted Care Facility Zone Change**
Request for approval of a zone change on 3.68 acres in the RA1 zone, located generally at 12729 South 1300 East. Staff report by Keith Morey.
Documents: [Ashford Assisted Care.pdf](#)
- 7.0 **Action Item: The Cove at Kimballs Lane Preliminary Plat**
Request for approval of a preliminary plat for a 59-unit subdivision on 7.5 acres in the RM2 zone subject to a previously approved development agreement. The subject property is located at approximately 633 East Kimballs Lane. This development is formerly known as Draper Crossing at Kimballs Lane. Staff report by Keith Morey.
Documents: [Cove at Kimballs Ln Prelim Plat Council Staff Report.pdf](#)
- 8.0 **Action Item: Resolution #15-50**, Request for approval of Resolution #15-50 regarding the City not entering into contract services with the Traverse Ridge Special Service District Administrative Control Board, and the City taking over snow removal and maintenance of Suncrest Drive and Traverse Ridge Road. Staff report by Russ Fox.
Documents: [Resolution 15-50.pdf](#)
- 9.0 **Action Item: For Consideration of a Dealership Incentive Agreement**
Staff report by Keith Morey.
Documents: [LHM Agreement.pdf](#)
- 10.0 **Action Item: Resolution #15-52**, Consideration for Adoption of a Resolution of the City Council of the City of Draper, Utah, Pledging Certain Sales Tax Revenues Under an Interlocal Sales Tax Pledge and Loan Agreement Toward the Payment of the Redevelopment Agency of Draper City, Utah's Tax Increment and Sales Tax Revenue Bonds, Series 2015 to be Issued in the Aggregate Principal Amount of not to Exceed \$7,000,000; Setting a Public Hearing; and Related Matters. Staff Report by Bob Wylie
Documents: [Council Packet - RDA Bond Agreement.pdf](#)
- 11.0 **Public Hearing: Resolution #15-51**, Amending the FY2016 Budget.
Staff report by Bob Wylie.
Documents: [Council Packet - Re-open Budget Sept 2015.pdf](#)
- 12.0 **Council/Manager Reports**
- 13.0 **Adjourn to a Closed Meeting**
Closed meeting to discuss litigation, property acquisition, and/or the character and professional competence or physical or mental health of an individual.

SALT LAKE COUNTY / UTAH COUNTY, STATE OF UTAH

I, the City Recorder of Draper City, certify that copies of the agenda for the **Draper City Council** meeting to be held the **15th day of September, 2015**, were posted on the Draper City Bulletin Board, Draper City website www.draper.ut.us, the Utah Public Meeting Notice website at www.utah.gov/pmn, and sent by email to the *Salt Lake Tribune*, and the *Deseret News*.

Date Posted: September 11, 2015



Rachelle Conner, MMC, City Recorder
Draper City, State of Utah



PUBLIC HEARING PROCEDURE AND ORDER OF BUSINESS. In compliance with the American with Disabilities Act, any individuals needing special accommodations including auxiliary communicative aides and services during this meeting shall notify Rachelle Conner, MMC, City Recorder at (801) 576-6502 rachelle.conner@draper.ut.us, at least 24 hours prior to the meeting. Meetings of the Draper City Council may be conducted by electronic means pursuant to Utah Code Annotated Section 52-4-207. In such circumstances, contact will be established and maintained by telephone and the meeting will be conducted pursuant to Draper City Municipal Code 2-1-040(e) regarding electronic messages.

To be published on December 21, 2014, *Salt Lake Tribune* and *Deseret News*

NOTICE OF ANNUAL MEETING SCHEDULE:

Draper City Council Meetings:

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Business Meetings	13	3	3	7	5	2	7	4	1	6	10	1
1st and 3rd Tues.	20	17	17	21	26	16	21	18	15	20	17	15

Draper Planning Commission Meetings:

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2nd and 4th Thurs.	8	12	12	9	14	11	9	13	10	8	5	3
	22	26	26	23	28	25	30	27	24	22	19	17

Commission Meetings:

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
PARKS & TRAILS	1st Wed.	7	4	4	1	6	3	1	5	2	7	4	2
TREE COMMISSION	1st Tues.	6	3	3	7	5	2	7	4	1	6	3	1
HISTORIC PRES.	1st Wed.	7	4	4	1	6	3	1	5	2	7	4	2
EXEC EMERG PREP	1st Wed.	7	4	4	1	6	3	1	5	2	7	4	2

****Dates in red have been changed or may be changed due to holidays or events.**

****Meeting Dates may be changed.**

Attest: Rachelle Conner
City Recorder

POSTED: December 19, 2014

Draper City Hall
Draper Senior Citizen Center
Draper City Library
Utah Public Notice Website (<http://pmn.utah.gov>)
Published in *Salt Lake Tribune* and *Deseret News* on December 21, 2014.

EXHIBIT B

PLEDGE AGREEMENT

(See Transcript Document No. __)

FILE COPY

INTERLOCAL SALES TAX PLEDGE AND LOAN AGREEMENT

This INTERLOCAL SALES TAX PLEDGE AND LOAN AGREEMENT (the "Agreement") is entered into as of _____, 2015, by and between THE CITY OF DRAPER, UTAH, a municipal corporation and political subdivision of the State of Utah (the "City"), and the REDEVELOPMENT AGENCY OF DRAPER, CITY, UTAH (the "Agency"), a redevelopment agency established under Limited Purpose Local Government Entities-Community Development and Renewal Agencies, Title 17C, Chapter 1, Utah Code Annotated 1953, as amended (the "Redevelopment Act").

WITNESSETH:

WHEREAS, the Agency has been established by the City for the purpose of developing and redeveloping certain areas within the City in order to accomplish the purposes of the Redevelopment Act; and

WHEREAS, the City and the Agency have previously authorized the establishment of the Agency Crescent Redevelopment Project Area (the "Center Point Redevelopment Project Area"); and

WHEREAS, the Agency intends to issue its Tax Increment and Sales Tax Revenue and Refunding Bonds, Series 2015 (the "Bonds") originally issued in the aggregate principal amount of \$_____ which will be payable from (a) tax increment revenues allocated to the Agency under the Redevelopment Act with respect to the Project Area (collectively the "Tax Increment Revenues") and (b) the Sales Tax Revenues (defined below) pledged pursuant to this Agreement. The Bonds are being issued to (i) refinance the development agreements with Boyer, Arbor and Kohl's (the "Project") and (ii) pay costs associated with the issuance of the Bonds; and

WHEREAS, the Agency anticipates that the Tax Increment Revenues from the Project Area will be sufficient to ultimately repay the City in the event that there is a shortfall in such Tax Increment Revenues, and the City has agreed to enter into this Agreement with the Agency pursuant to the Redevelopment Act to pledge and lend to the Agency (i) the Local Sales and Use Tax and City Option Sales and Use Tax revenues received by the Issuer pursuant to Title 59, Chapter 12, Parts 2 and 11, Utah Code Annotated 1953, as amended (the "Sales Tax Revenues"), to the extent necessary to make up any shortfall, if any, and to pay any obligation of the Agency under the Indenture which authorizes the issuance of said Bonds (the "Indenture"), including without limitation, the obligation to replenish any debt service reserve fund established thereunder, which pledge is on a parity with payment by the City of any sales tax revenue obligations the City has issued or may issue in the future on a parity thereto; and

WHEREAS, pursuant to the provisions of (i) the Resolution adopted by the City on September 15, 2015, (ii) the Redevelopment Act, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Municipal Bond Act"), the Interlocal Cooperation Act (the "Interlocal Cooperation Act"), Title 11, Chapter 13, Utah Code Annotated 1953, as amended and other applicable provisions of

law (collectively, the “Act”), and (iii) the City’s Sales Tax Revenue Bond General Indenture dated as of March 1, 2004 (the “Sales Tax General Indenture”), as previously amended and supplemented, including a Fifth Supplemental Indenture of Trust dated as of _____ (collectively, the “Sales Tax Indenture”), the City Council of the City (the “Council”) has authority to enter into this Agreement for the purposes set forth in the recitals above; and

WHEREAS, the City recognizes and hereby finds that the City will receive many benefits because of the redevelopment performed by the Agency including, but not limited to, improved quality of life, increased employment opportunities within the City, increased ad valorem tax base, and increased sales tax revenues to the City; and

WHEREAS, the City and the Agency have found and determined that the loan to the Agency by the City of the Sales Tax Revenues is a corporate purpose that will promote economic, community and urban renewal development and the health, safety, and welfare of the City and its inhabitants, result in interest savings with respect to the Bonds, and is in the best interest of the City and its inhabitants;

NOW, THEREFORE, in consideration of the mutual promises, the covenants contained herein, and other good and valuable consideration, the receipt of which is acknowledged, the parties hereto agree as follows:

Section 1. The Agency agrees that upon issuance of the Bonds it will use the net proceeds of such Bonds to (a) finance the Project, and (b) pay costs of issuance of the Bonds. As required by the Redevelopment Act, the Bonds shall be made payable as to both principal and interest solely from the Tax Increment Revenues received from the Project Area and shall not be payable from funds directly paid by the City, except to the extent Sales Tax Revenues are transferred by the City to the Agency pursuant to this Agreement.

Section 2. (a) The Agency shall, not less than thirty (30) days prior to each principal and/or interest payment date of the Bonds, determine (i) the amounts due with respect to the Bonds, and (ii) the amounts of Tax Increment Revenues and other moneys the Agency reasonably believes will be available for payment of the Bonds on said payment dates. The Agency shall, not less than thirty (30) days prior each payment date on the applicable series of Bonds, submit a request to the City Finance Director for Sales Tax Revenues equal to the amount, if any, by which the payments due on said Bonds exceed such available Tax Increment Revenues and other amounts available to the Agency (the “Shortfall”), plus any additional payment obligations of the Agency, under the Indenture, if necessary. The City agrees to pay said Shortfall directly to the designated trustee under the Indenture for deposit into the Bond Fund thereof not less than ten days prior to the next succeeding payment date on said Bonds. The Agency covenants to take such other action as it lawfully may take to assure that Sales Tax Revenues equal to said Shortfall are remitted by the City to the Agency pursuant to this Agreement.

(b) As soon as practicable following the issuance of the Bonds and thereafter immediately following each principal and interest payment date on the Bonds, the Agency shall make an accounting of the expected Shortfall, if any, for the next two succeeding semi-annual principal and/or interest payment dates on the Bonds based upon expected Tax Increment Revenues (the "Estimated Shortfall") and report the same to the City in writing. The Estimated Shortfall shall be separated into that amount attributable to interest on the Bonds (the "Interest Shortfall") and that amount attributable to principal on the Bonds (the "Principal Shortfall") with a Principal Shortfall only becoming applicable after applying all expected Tax Increment Revenues to principal next coming due on the Bonds and any remaining Estimated Shortfall being considered as an "Interest Shortfall". The Interest Shortfall shall then be separated into any amount applicable to the next succeeding interest payment date (the "First Interest Payment Shortfall") and that amount attributable to the following interest payment date (the "Second Interest Payment Shortfall"). The Issuer shall then allocate Sales Tax Revenues to the revenue fund under the Sales Tax Indenture in the same manner as required by [Section 5.2] of the Sales Tax General Indenture, treating the Interest Shortfall (and the related First Interest Payment Shortfall and Second Interest Payment Shortfall) in the same manner as interest on bonds issued under the Sales Tax Indenture, and the Principal Shortfall in the same manner as principal on bonds issued under the Sales Tax Indenture. Provided, however, that the City shall ultimately ensure that there are sufficient Sales Tax Revenues paid to the Agency to satisfy any actual Shortfall (as described in the immediately preceding subsection

Section 3. Pursuant to the Redevelopment Act, the City hereby pledges for the benefit of the holders of the Bonds and agrees to lend to the Agency, to the extent necessary during each year in which said Bonds are outstanding under the Indenture, Sales Tax Revenues sufficient to make up any Shortfall, plus any additional payment obligations of the Agency under the Indenture (the "City Loan") on or before the date on which said moneys are due and owing during each year until said Bonds are paid in full, which pledge shall be on a parity with any obligations and/or bonds the City has heretofore issued or may issue in the future under the Sales Tax Indenture. The Agency hereby agrees to repay the City Loan at such rate or rates of interest on the unpaid principal balance of said City Loan, within a time period, and upon such additional terms as the City Council of the City deems appropriate, provided, however, that no payment shall be made on the City Loan to the City by the Agency during any year, until all principal and interest falling due on all Bonds during said year have been paid in full. The Agency shall track the allocable Sales Tax Revenues used to support either the Refunded Bonds or the Project, and any City loan for repayment to the City from the appropriate Project Area.

Section 4. The City hereby agrees and covenants that it will not issue any additional sales tax revenue bonds or obligations on a priority to the pledge of the Sales Tax Revenues hereunder. In addition, the City hereby agrees and covenants that it will not issue any additional sales tax revenue bonds or obligations (the "Additional Obligations") on a parity with its obligation under this Agreement, without complying

with the terms of the Sales Tax Indenture authorizing the issuance of additional parity obligations. All calculations of debt service under the Sales Tax Indenture shall include the full debt service on the Bonds and not the Estimated Shortfall amount.

Section 5. Nothing contained in this Agreement shall be construed to create a general obligation liability of the City. The Bonds shall not be a debt of the City pursuant to any constitutional or statutory debt limitations, and the issuance of the Bonds and the execution of this Agreement shall not require the City to levy any form of taxation (other than the Sales Tax Revenues) or to appropriate any moneys for the payment of the Bonds or amounts otherwise due under this Agreement.

Section 6. This Agreement shall be effective upon the date it is executed by both parties and filed with the keeper of the records of each party, and will remain in effect as long as the Bonds remain outstanding, but in no event more than fifty (50) years from the effective date of this Agreement herein.

Section 7. The City and the Agency hereby declare that the appropriate findings and purposes of the Act have been identified and served and that the prerequisites of the Act, including but not limited to Section 17C-1-207 have been satisfied. This Agreement shall be governed by the laws of the State of Utah.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the day and year first written above.

CITY OF DRAPER, UTAH

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

APPROVED AS TO FORM AND COMPLIANCE WITH APPLICABLE LAW:

By: _____
City Attorney

REDEVELOPMENT AGENCY OF DRAPER CITY, UTAH

(SEAL)

By: _____
Chair

ATTEST:

By: _____
Secretary

APPROVED AS TO FORM AND COMPLIANCE WITH APPLICABLE LAW:

Redevelopment Agency Attorney