



REDEVELOPMENT AGENCY AGENDA

NOTICE IS HEREBY GIVEN THAT THE CENTERVILLE REDEVELOPMENT AGENCY WILL HOLD A REGULAR MEETING AT 5:30 PM ON JUNE 6, 2023 AT CENTERVILLE CITY HALL, 250 NORTH MAIN STREET, CENTERVILLE, UTAH.

Centerville Redevelopment Agency meetings are open to the public, unless otherwise closed for reasons allowed by law. Centerville Redevelopment Agency meetings may be conducted via electronic means pursuant to Utah Code § 52-4-207. In compliance with the Americans with Disabilities Act, individuals needing special accommodations due to a disability may contact the City Recorder at (801) 295-3477, at least 24 hours in advance of the meeting. The Agency reserves the right to modify the sequence of agenda items in order to facilitate special needs or provide greater efficiency.

The full agenda packet and backup materials can be found on the Centerville City website at:

<https://centervilleutah.gov/129/Agendas-Minutes>

A. ROLL CALL

B. BUSINESS ITEMS

Business action or discussion items to be considered.

1. Public Hearing - FY 2023 Budget Amendment
Public Hearing amending the FY 2023 RDA Budget
2. Public Hearing - Adopt FY 2024 Final Budget
Adoption of the FY 2024 RDA Final Budget
3. Amendment No. 3 to Agreement for Development of Land with Legacy Crossing Theater, LLC
Consider Amendment No. 3 to Agreement for Development of Land with Legacy Crossing Theatre, LLC, to allow RDA distribution of tax increment under limited certain circumstances when performance criteria are not met for tax year 2022.

C. MINUTES

Minutes of prior meetings may be reviewed and accepted. Minutes review and approval shall comply with the Centerville City Minutes Approval Policy.

1. Minutes Review and Approval
May 16, 2023 RDA Minutes

D. ADJOURNMENT

CERTIFICATE OF POSTING

I hereby certify that this notice and agenda was posted at Centerville City Hall, published on the Utah Public Notice Website, and provided to a newspaper or media correspondent in accordance with the requirements of the Utah Open and Public Meetings Act, including, but not limited to, provisions of Utah Code § 52-4-202.

**Jennifer Robison
Centerville City Recorder**



REDEVELOPMENT AGENCY

Staff Report
6/6/2023

Item No. 1.

Title: Public Hearing - FY 2023 Budget Amendment

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Public Hearing amending the FY 2023 RDA Budget

RECOMMENDATION:

Approve Resolution 2023-01 amending the FY 2023 RDA Budget.

BACKGROUND:

Each year the RDA receives tax increment revenue and incurs contractual obligation payments to the developers of each area. This budget amendment recognizes the actual tax increment received in FY 2023.

ATTACHMENTS:

1. Resolution No 2023-01 - FY 2023 RDA Budget Amendment #1
2. FY2023 RDA Budget Amendment

RESOLUTION NO. 2023-01

**A RESOLUTION AMENDING THE FY 2023 BUDGET OF FUNDS AND
ACCOUNTS FOR THE REDEVELOPMENT AGENCY OF
CENTERVILLE CITY, UTAH**

WHEREAS, in order to conform with the Utah Code and Accounting Procedures as outlined in the Uniform Accounting Manual, it is necessary to amend the Redevelopment Agency (RDA) budget of funds and accounts for the RDA for the Fiscal Year ending June 30, 2023 as more particularly provided herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT
AGENCY OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:**

Section 1. Amendment. The FY 2023 RDA Budget of Funds for the Redevelopment Agency of Centerville City is hereby amended as shown in **Exhibit A** attached and incorporated herein by reference.

Section 2. Severability. If any section, part or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution shall be severable.

Section 3. Effective Date. This Resolution shall become effective immediately upon its passage.

**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, THIS 6th DAY OF JUNE, 2023.**

**REDEVELOPMENT AGENCY OF
CENTERVILLE CITY**

By: _____
Chair Clark A. Wilkinson

I hereby certify that the above Resolution entitled "A Resolution Amending the FY 2023 Budget of Funds and Accounts for the Redevelopment Agency of Centerville City, Utah" is a true and accurate copy of the Resolution passed on the 6th day of June, 2023.

ATTEST:

Executive Director

CERTIFICATE OF PASSAGE AND EFFECTIVE DATE

According to the provisions of the U.C.A. § 10-3-719, as amended, resolutions may become effective without publication or posting and may take effect on passage or at a later date as the governing body may determine; provided, resolutions may not become effective more than three months from the date of passage. I, the municipal recorder of Centerville City, hereby certify that foregoing resolution was duly passed by the Redevelopment Agency of Centerville City, Utah, and became effective upon passage or a later date as the governing body directed as more particularly set forth below.

JENNIFER ROBISON, City Recorder

DATE: _____

EFFECTIVE DATE: _____ day of _____, 2023.

EXHIBIT A

FY 2023 RDA AMENDED BUDGET #1

FY2023 RDA Budget Amendment

June 6, 2023

<u>Category</u>	<u>Account Number</u>	<u>Account Description</u>	<u>Beginning Budget</u>	<u>Increase/Decrease</u>	<u>Ending Budget</u>
Revenues					
	20-31-100000	Tax Increment - Parrish Lane	580,000	445,345	1,025,345
	21-31-150000	Tax Increment - Legacy Crossing	350,000	(7,165)	342,835
	20-31-160000	Tax Increment - Barnard Creek	200,000	81,858	281,858
		Total Revenues		\$ 520,038	
Expenses					
	20-4000-420.0	Other Obligations	-	497,138	497,138
	20-4000-430.0	Contractual - Legacy Crossing	210,000	10,367	220,367
	20-4000-435.0	Contractual - Rimini	36,000	112	36,112
	20-4000-440.0	Contractual - Barnard Creek	33,000	6,478	39,478
	20-4000-445.0	Contractual - H S LLC	17,000	5,943	22,943
		Total Expenses		\$ 520,038	



REDEVELOPMENT AGENCY

Staff Report
6/6/2023

Item No. 2.

Title: Public Hearing - Adopt FY 2024 Final Budget

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Adoption of the FY 2024 RDA Final Budget

RECOMMENDATION:

Approve Resolution 2023-02 adopting the FY 2024 RDA Final Budget

BACKGROUND:

Similar to the process for adopting the City's annual budget, the RDA Board needs to hold a Public Hearing and adopt the FY 2024 RDA Final Budget before July 1, 2023. The RDA's Final Budget will be included in the City's Final Budget.

Changes since the last public hearing on the Tentative Budget include an additional \$20,000 to the the Professional Services account (20-4000-310.0) for the rebranding efforts.

ATTACHMENTS:

1. Resolution 2023-02 - FY 2024 RDA Final Budget
2. FY 2024 RDA Final Budget

RESOLUTION NO. 2023-02

A RESOLUTION ADOPTING THE FY 2024 BUDGET OF FUNDS AND ACCOUNTS FOR THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, UTAH AND PROVIDING AN EFFECTIVE DATE

WHEREAS, in order to conform with the Utah State Code and Accounting Procedures as outlined in the Uniform Accounting Manual, it is necessary to adopt the Redevelopment Agency Budget which states revenues and expenditures for the Fiscal Year ending June 30, 2024.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. Adoption. The FY 2024 final budget is hereby adopted, including all funds and accounts as shown in the budget format attached and dated June 6, 2023.

Section 2. Severability. If any section, part or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts and provisions of this Resolution shall be severable.

Section 3. Effective Date. This Resolution shall become effective immediately.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, STATE OF UTAH, THIS 6th DAY OF JUNE 2023.

**REDEVELOPMENT AGENCY OF
CENTERVILLE CITY**

By: _____
Chair

I hereby certify that the above Resolution entitled "A Resolution Adopting the FY 2024 Budget of Funds and Accounts for the Redevelopment Agency of Centerville City, Utah and Providing an Effective Date" is a true and accurate copy of the Resolution passed on the 6th day of June 2023.

ATTEST:

Executive Director

CERTIFICATE OF PASSAGE AND EFFECTIVE DATE

According to the provisions of the U.C.A. § 10-3-719, as amended, resolutions may become effective without publication or posting and may take effect on passage or at a later date as the governing body may determine; provided, resolutions may not become effective more than three months from the date of passage. I, the municipal recorder of Centerville City, hereby certify that foregoing resolution was duly passed by the City Council and became effective upon passage or a later date as the governing body directed as more particularly set forth below.

JENNIFER ROBISON, City Recorder

DATE: _____

EFFECTIVE DATE: _____ day of _____, 2023.

EXHIBIT “A”

FY2024 RDA FINAL BUDGET

RDA FUND SUMMARY

	Prior Year	6 Month	12 Month	Amended	Dept. Request	Tentative	Adopted
FY 2021	Actual	Actual	Estimate	Budget	Budget	Budget	Budget
ACTUAL	FY 2022	FY 2023	FY 2023	FY 2023	FY 2024	FY 2024	FY 2024

REDEVELOPMENT AGENCY

REVENUES	\$1,803,227	\$1,773,643	\$59,863	\$1,769,765	\$1,577,288	\$1,633,311	\$1,768,000	\$1,768,000
OPERATING EXPENDITURES	\$863,229	\$650,045	\$184,393	\$460,074	\$664,865	\$720,888	\$784,164	\$784,164
TRANSFERS OUT	\$1,174,382	\$388,000	\$217,564	\$385,423	\$385,423	\$385,423	\$456,836	\$456,836
CAPITAL EXPENDITURES	\$0	\$0	\$0	\$70,000	\$527,000	\$527,000	\$527,000	\$527,000
TOTAL EXPENDITURES	\$2,037,611	\$1,038,045	\$401,957	\$915,497	\$1,577,288	\$1,633,311	\$1,768,000	\$1,768,000

REDEVELOPMENT AGENCY

The Redevelopment Agency (RDA) is an agency authorized under State Law Title 17C known as the Limited Purpose Local Government Entities-Community Development and Renewal Agencies. The purpose of the RDA is to facilitate redevelopment efforts in a designated community and to administer projects/programs to assist in economic development, community development and renewing urban areas. The RDA's governing body consists of the current members of the City Council.

The RDA promotes economic development by encouraging private and public investment in previously developed areas that are underutilized or blighted; and by working with businesses to increase jobs available in the community and the state as a whole.

The RDA currently has four Project Areas:

- 1) Parrish Lane Gateway Project Area (traditional Redevelopment Area or RDA);
- 2) Legacy Crossing at Parrish Lane Project Area (Community Development Area or CDA);
- 3) Barnard Creek Project Area (CDA); and
- 4) Porter-Walton Area (Community Reinvestment Area or CRA).

FUND BALANCE		Prior Year Actual FY 2022	12 Month Estimate FY 2023	Amended Budget FY 2023	Adopted Budget FY 2024				
Beginning Balance		\$833,677	\$1,569,275	\$1,569,275	\$2,423,543				
Revenues		\$1,773,643	\$1,769,765	\$1,233,600	\$1,768,000				
Expenditures		(\$1,038,045)	(\$915,497)	(\$1,577,288)	(\$1,768,000)				
Ending Balance		\$1,569,275	\$2,423,543	\$1,225,587	\$2,423,543				

Acct #	Acct Description	FY 2021 ACTUAL	Prior Year Actual FY 2022	6 Month Actual FY 2023	12 Month Estimate FY 2023	Amended Budget FY 2023	Dept. Request Budget FY 2024	Tentative Budget FY 2024	Adopted Budget FY 2024	Change
REVENUES										
20-31-100000	TAX INCREMENT - PARRISH LANE	1,057,693	1,115,893	0	1,025,345	580,000	580,000	1,025,000	1,025,000	77%
20-31-150000	TAX INCREMENT - LEGACY XING	316,301	317,104	0	342,836	350,000	350,000	343,000	343,000	-2%
20-31-160000	TAX INCREMENT - BARNARD CREEK	145,055	225,197	0	281,858	200,000	225,000	282,000	282,000	41%
20-31-200000	PROPERTY TAX - ADDITIONAL	241,758	0	0	0	0	0	0	0	0%
20-36-100000	INTEREST INCOME	18,582	1,812	7,883	15,766	3,600	10,000	10,000	10,000	178%
20-36-870000	INSURANCE REIMBURSEMENT	0	11,840	0	0	0	0	0	0	0%
20-38-750000	DCPA LEASE PAYMENT	23,838	101,797	51,980	103,960	100,000	108,000	108,000	108,000	8%
20-39-250000	USE OF FUND BALANCE	0	0	0	0	343,688	360,311	0	0	-100%
	TOTAL REVENUE	1,803,227	1,773,643	59,863	1,769,765	1,577,288	1,633,311	1,768,000	1,768,000	12%
EXPENDITURES										
OPERATIONS										
20-4000-210.0	PUBLIC NOTICES	0	0	0	0	100	100	100	100	0%
20-4000-310.0	PROFESSIONAL SERVICES	29,305	35,777	6,900	25,000	27,000	36,000	36,000	56,000	107%
20-4000-315.0	TRF - ELIGIBLE EXPENSES	163,549	0	0	0	1,000	1,000	1,000	1,000	0%
20-4000-316.0	ENGINEERING	0	1,575	0	1,000	1,000	1,000	1,000	1,000	0%
20-4000-420.0	OTHER OBLIGATIONS	0	9,634	0	0	0	100	107,375	78,684	100%
20-4000-423.0	CONTRACTUAL - DAYTON WEST	121,335	0	0	0	0	0	0	0	0%
20-4000-430.0	CONTRACTUAL - LEGACY CROSSING	203,867	187,464	0	0	210,000	210,000	210,000	210,000	0%
20-4000-435.0	CONTRACTUAL - RIMINI	20,041	35,960	0	36,111	36,000	36,000	0	0	-100%
20-4000-440.0	CONTRACTUAL - BARNARD CREEK	36,526	32,633	0	39,478	33,000	34,000	34,000	34,000	3%
20-4000-445.0	CONTRACTUAL - H S LLC	18,711	16,953	0	22,943	17,000	17,000	17,000	17,000	0%
20-4000-480.0	MISC SUPPLIES	25	2,524	2,000	4,000	5,000	2,000	2,000	2,000	-60%
20-4000-511.0	INSURANCE - LIABILITY AND PROPERTY	21,251	17,719	20,097	20,097	23,320	25,652	25,652	25,652	10%
20-4710-810.0	AFFORDABLE HOUSING TRANSFER TO GF	34,194	37,199	19,673	40,000	40,000	50,000	50,000	50,000	25%
20-4000-620.0	ADMINISTRATIVE SERVICES	214,425	272,607	135,723	271,445	271,445	308,036	300,037	308,728	14%
	SUBTOTAL OPERATIONS	863,229	650,045	184,393	460,074	664,865	720,888	784,164	784,164	18%
TRANSFERS OUT										
20-4710-830.0	TRANSFER - ADDITIONAL INCREM	231,219	388,000	217,564	385,423	385,423	385,423	456,836	456,836	19%
20-4710-840.0	TRANSFER - DEBT RETIREMENT	593,163	0	0	0	0	0	0	0	0%
20-4710-860.0	TRANSFER - PARK	350,000	0	0	0	0	0	0	0	0%
	SUBTOTAL TRANSFERS OUT	1,174,382	388,000	217,564	385,423	385,423	385,423	456,836	456,836	19%
CAPITAL										
20-5000-100.0	TRAFFIC SIGNAL - 400 W	0	0	0	70,000	487,000	487,000	487,000	487,000	0%
20-5000-150.0	RDA IMPROVEMENTS - Economic Development Plan	0	0	0	0	40,000	40,000	40,000	40,000	0%
	SUBTOTAL CAPITAL	0	0	0	70,000	527,000	527,000	527,000	527,000	0%
	TOTAL EXPENDITURES	2,037,611	1,038,045	401,957	915,497	1,577,288	1,633,311	1,768,000	1,768,000	12%



REDEVELOPMENT AGENCY

Staff Report
6/6/2023

Item No. 3.

Title: Amendment No. 3 to Agreement for Development of Land with Legacy Crossing Theater, LLC

Initiated By: Nate Plaizier, Finance Director

Staff Representative: Nate Plaizier, Finance Director

SUBJECT:

Consider Amendment No. 3 to Agreement for Development of Land with Legacy Crossing Theatre, LLC, to allow RDA distribution of tax increment under limited certain circumstances when performance criteria are not met for tax year 2022.

RECOMMENDATION:

Approve Amendment No. 3 to Agreement to Development of Land for the Legacy Crossing Theatre, LLC, to allow RDA distribution of tax increment under limited certain circumstances when performance criteria are not met for tax year 2022.

BACKGROUND:

The RDA entered into an agreement with Legacy Crossing Theatre, LLC company in September 2010 (see attached agreement). Per the agreement (2.1 (B)), the Megaplex must have a minimum of 500,000 theater tickets sold to be eligible to receive their tax increment payment. This past year, 2022, the theater did not meet the threshold of 500,000 tickets sold.

In tax year 2020, the theater was ordered to close due to the pandemic and was not able to sell 500,000 tickets. The RDA approved an amendment to allow for the remittance of tax increment due to the pandemic. The language was very specific that the condition was waived due to the pandemic in 2020.

In tax year 2021, the theater again suffered from a loss in sales due to the pandemic, and were not able to sell 500,000 tickets. The RDA approved another amendment to allow for the remittance of tax increment due to the pandemic.

Legacy Crossing Theatre, LLC is requesting the tax increment payment (\$220,365.50) for tax year 2022. The RDA discussed this matter on May 16, 2023, and directed Staff to prepare the attached Amendment No. 3 to the Agreement for Development of Land for further consideration and action by the RDA to allow for the remittance of tax increment for the tax year 2022.

ATTACHMENTS:

1. RDA_Legacy Crossing Theatre LLC - Amendment No. 3 to Agreement for Development of Land (ADL)
2. Letter for Dan Bridenstine
3. RDA_Legacy Crossing Theatre LLC - Agreement for Development of Land (ADL)

4. RDA_Legacy Crossing Theatre, LLC - Amendment No. 1 to Agreement for Development of Land (ADL)
5. RDA_Legacy Crossing Theatre LLC - Amendment No. 2 to Agreement for Development of Land (ADL)

**AMENDMENT NO. 3 TO
AGREEMENT FOR DEVELOPMENT OF LAND (ADL)
BY AND BETWEEN THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, A
PUBLIC ENTITY, AND LEGACY CROSSING THEATRE, LLC, A UTAH LIMITED
LIABILITY COMPANY**

PARRISH-LEGACY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA
CENTERVILLE CITY, UTAH

THIS AMENDMENT NO. 3 TO AGREEMENT FOR DEVELOPMENT OF LAND (“Amendment No. 3”) is made and entered into as of the ____ day of June, 2023, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a governmental entity organized under the laws of the State of Utah (the "Agency"), and **LEGACY CROSSING THEATRE, LLC**, a Utah limited liability company (the "Developer"). The Agency and Developer may be referred to in this Amendment No. 3 as a "Party" or collectively as the "Parties."

RECITALS

A. WHEREAS, the Parties previously entered into that certain Agreement for Development of Land dated September 21, 2010 (“Agreement for Development of Land”), regarding tax increment related to the development of the Legacy Crossing at Parrish Lane project located at the southeast corner of 1250 West and Parrish Lane in Centerville City, Davis County, State of Utah; and

B. WHEREAS, the Parties desire to amend the Agreement for Development of Land to address Developer’s failure to meet annual performance criteria and to provide discretion for the Agency to allow distribution of tax increment under limited certain circumstances even if performance criteria are not met as more particularly described herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into this Amendment.

2. **Amendment to Section 2.2.** Section 2.2 of the Agreement for the Development of Land regarding “Developer’s Failure to Meet the Conditions Precedent” is hereby amended and restated in its entirety as follows:

2.2 **Developer's Failure to Meet the Conditions Precedent.** Except as otherwise provided herein, in the event the Developer fails to perform any term, covenant, or condition precedent described in Subparagraphs (A), (B), (C), and/or (D) of Section 2.1

during any Tax Increment Year, the Agency shall have no obligation to pay the Developer the annual Tax Increment Subsidy available for such Tax Increment Year and the Tax Increment Subsidy amount available for such Tax Increment Year shall be retained by the Agency and used at its discretion. The Agency, in its sole discretion may make an exception to this provision to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020, ~~and/or~~ 2021, ~~and~~ 2022 due to COVID-19 related or other justified reductions in annual ticket sales or other required conditions precedent set forth in Section 2.1. The Developer shall be required to provide to the Agency sufficient written evidence of COVID-19 related reduction in annual ticket sales or other required conditions precedent. The Agency may grant such exception by motion and majority vote of Agency members.

3. **Amendment to Section 2.4.** Section 2.4 of the Agreement for the Development of Land regarding “Reduction of the Tax Increment Subsidy in Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements” is hereby amended and restated in its entirety as follows:

2.4 Reduction of the Tax Increment Subsidy In Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements.

(A) Except as otherwise provided herein, in the event of a failure of the Developer to meet the conditions precedent or other eligibility requirements and this Agreement has not been terminated pursuant to Article 8, then the Tax Increment Subsidy shall be reduced as follows:

In any Tax Increment Year during the Tax Increment Subsidy Period in which the Developer has not met all of the conditions precedent or other requirements set forth in this Agreement for eligibility to receive the Tax Increment Subsidy payment(s), then the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that Tax Increment Year shall not be paid to the Developer and shall be retained by the Agency for other Agency purposes, and the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that year shall be subtracted from the applicable Not To Exceed Amount Of Tax Increment Subsidy to be paid to the Developer and the difference shall be the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy." For example, if the Developer had initially qualified for the maximum Not To Exceed Amount Of Tax Increment Subsidy of \$3,574,000, and if there would have been \$200,000 of Tax Increment money available to pay the Developer as the Tax Increment Subsidy payment for Tax Increment Year 2012, but the Developer was not eligible to receive payment of the Tax Increment Subsidy because the Developer had failed to meet one or more of the above conditions precedent, then the "Not To Exceed Amount Of Tax Increment Subsidy" would be reduced by subtracting the sum of \$200,000 (the amount of Tax Increment that would have been available to pay the Tax

Increment Subsidy) from the "Not To Exceed Amount Of Tax Increment Subsidy" of \$3,574,000, and the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy" shall be the sum of \$3,374,000 (i.e., \$3,574,000 - \$200,000 = \$3,374,000), which would be the new maximum "Not To Exceed Amount Of Tax Increment Subsidy" for purposes of this Agreement.

Each year during the Tax Increment Subsidy Period that the Developer is not eligible to receive the Tax Increment Subsidy and provided this Agreement has not been terminated pursuant to Article 8, the Tax Increment Subsidy shall not be paid to the Developer and, in addition, the "Not To Exceed Amount Of Tax Increment Subsidy" shall be reduced by subtracting the amount of Tax Increment that would have been available to pay the Tax Increment Subsidy from the "Not To Exceed Amount Of Tax Increment Subsidy" as originally determined, or as the amount may have been reduced pursuant to the provisions of this Subparagraph (A).

(B) The Agency shall have no obligation to pay to the Developer any amount of Tax Increment Subsidy in excess of the amended, reduced or adjusted "Not To Exceed Amount Of Tax Increment Subsidy".

(C) In the event the Agency grants an exception to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020, ~~and/or~~ 2021, and 2022 due to COVID-19 related or other justified reductions in annual ticket sales or other required conditions precedent as more particularly set forth in Section 2.2, the provisions of Section 2.4 regarding reduction of the "Not to Exceed Amount of Tax Increment Subsidy" shall not apply to such portion of eligible annual Tax Increment Subsidy distributed to the Developer for the Tax Increment Year 2020, ~~and/or~~ 2021, and 2022. Any eligible Tax Increment Subsidy not distributed to Developer for the Tax Increment Year 2020, 2021, and 2022 for failure to meet conditions precedent shall be subject to the provisions of Section 2.4.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS HEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first above written.

“AGENCY”

ATTEST:

REDEVELOPMENT AGENCY OF
CENTERVILLE CITY

Brant Hanson, Executive Director

By: _____
Chair Clark A. Wilkinson

STATE OF UTAH)
 :ss
COUNTY OF DAVIS)

On the ____ day of _____, 2023, personally appeared before me Clark A. Wilkinson, who being duly sworn, did say that he is the Director of **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a governmental entity under the laws of the State of Utah, and that the foregoing instrument was signed on behalf of the Redevelopment Agency of Centerville City by authority of its Board of Directors and the undersigned acknowledged to me that the Agency executed the same.

Notary Public

My Commission Expires:

Residing at:

“DEVELOPER”

LEGACY CROSSING THEATERS, LLC

By: _____

Its: _____

STATE OF _____)
:ss
COUNTY OF _____)

On the _____ day of _____, 2023, personally appeared before me _____, who being duly sworn, did say that (s)he is the _____ of **LEGACY CROSSING THEATERS, LLC**, and that the foregoing instrument was signed on behalf of said company by authority of its members and duly acknowledged to me that said company executed the same.

Notary Public

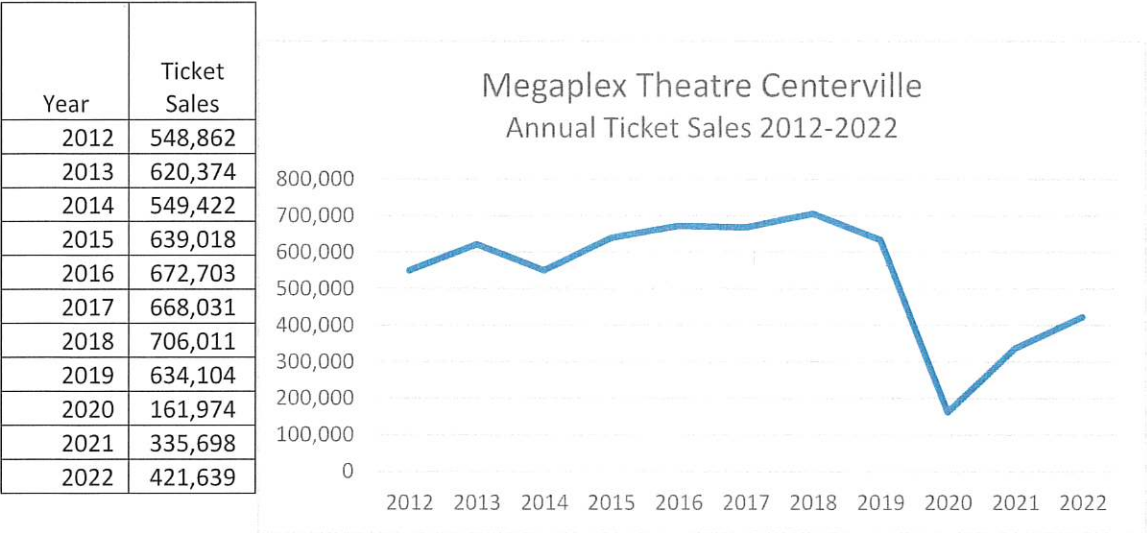
My Commission Expires:

Residing at:

RE: Legacy Crossing CDA 2022

Dear CDA Chairperson:

Dan Bridenstine (US Development) has requested a report on the Megaplex Theatre at Centerville. As you know, the motion picture industry was hit particularly hard by the covid pandemic – both the comfort of the public and the government restrictions for public gathering. In 2020 attendance dropped drastically, rebounding only partially in 2021 and 2022. The rebound was hampered, in part, by a shortage of appealing new movies in 2022, since filming and post-production work was also shut down in 2020 by the covid pandemic. What few blockbuster movies were released in 2022 were, for the most part, filmed and produced prior to the pandemic. This includes Top Gun 2, and Avatar 2, for example. With new films now rolling out, and the pandemic in the rearview mirror, however, this year’s attendance to date is up, tracking ahead of the last three years at this point in the season.



The attendance numbers alone, however, do not tell the whole story. With the addition of higher-priced premium seating options, and broadened food services now available, gross revenue, even in 2022 with ticket sales still somewhat suppressed, exceeded that of 2012 despite the higher ticket sales: 2012 gross revenue was \$6.65 million, while 2022 gross revenue was \$6.83 million. This added revenue is surely reflected in increased property value and tax, additional sales tax generated, and added employment opportunities.

We hope these figures are helpful to the CDA in illustrating that the theater is performing well, exceeding expectations or projections when gross revenue is considered, despite a minor and understandable shortage of ticket sales in 2022 compared to the goal, and that the future is only going to improve.

Sincerely,



Blake Andersen

 President, Megaplex Theaters

AGREEMENT FOR DEVELOPMENT OF LAND
(ADL)

Dated the 21st day of September 2010

By and Between the Redevelopment Agency of Centerville City, a public entity (Agency)
and Legacy Crossing Theatre, LLC, a Utah limited liability company (Developer)

PARRISH-LEGACY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA

located in Centerville City, Utah

AGREEMENT FOR DEVELOPMENT OF LAND (ADL)

PARRISH-LEGACY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA CENTERVILLE CITY, UTAH

THIS AGREEMENT (the “**Agreement**”) is entered into as of the 21st day of September 2010, between the REDEVELOPMENT AGENCY OF CENTERVILLE CITY, a governmental entity organized under the laws of the State of Utah (the “**Agency**”), and LEGACY CROSSING THEATRE, LLC, a Utah limited liability company (the “**Developer**”). The aforementioned are sometimes referred to in this Agreement as a “**Party**”, or collectively as the “**Parties**.”

WITNESSETH:

(1) In furtherance of the objectives of the current Utah Community Development and Renewal Agencies Act, Utah Code Ann. Title 17C, Chapters 1 through 4 (collectively, the “**Act**”), the Agency has undertaken a program for the development of a certain geographic area known as the “Parrish-Legacy Crossing Community Development Project Area” located in Centerville City, Davis County, Utah (the “**Project Area**”); and

(2) The Agency has prepared and the City Council through the adoption of an Ordinance No. 2010-02 dated the 16th day of March, 2010 and published on the 1st day of April 2010, has approved a community development plan (as hereinafter defined, the “**Community Development Plan**”) providing for the development of real property located in the Project Area and the future uses of such land, which Community Development Plan has been filed with both Centerville City and the Agency; and

(3) The Agency has entered into several interlocal agreements with taxing entities to fund the Community Development Plan, copies of which are attached hereto as Attachment No. 3 (as more particularly defined below, the “**Interlocal Agreements**”); and

(4) The subject site consists of an approximately 29-acre portion (the “**Site**”) of the real property located within the Project Area. Developer owns or will own and subject to the terms and conditions hereof, the Developer has agreed to develop with the Improvements (defined below) a portion of the Site in accordance with the uses specified in the Community Development Plan and this Agreement; and

(5) To enable the Agency to achieve the objectives of the Community Development Plan, and particularly to encourage the development of the land within the Project Area by private enterprise for and in accordance with the uses specified in the Community Development Plan, the Agency desires to enter into this Agreement; and

(6) The Agency believes that the development of the Site pursuant to the provisions of the Community Development Plan and this Agreement is in the vital and best interests of the Agency and in the best interest of the health, safety and welfare of City residents, and in accord with the public purposes and provisions of the applicable State laws and requirements under which the Project Area and its development is undertaken and is being assisted by the Agency; and

(7) On the basis of the foregoing and the undertakings of the Developer pursuant to this Agreement, and to enable the Agency to achieve the objectives of the Community Development Plan, the Agency is willing, in the manner set forth herein, to assist the Developer in the development of the Site for the purpose of accomplishing the provisions of the Community Development Plan, and the provisions of this Agreement; and

(8) The development of the Site by the Developer shall be in accordance with the public purposes and provisions of applicable State laws and requirements.

NOW, THEREFORE, each of the Parties for and in consideration of mutual promises and other good and valuable consideration does covenant and agree as set forth herein.

ARTICLE 1- DEFINITIONS

The following capitalized terms have the meanings and content set forth in this Article 1, wherever used in this Agreement, and the Parties agree to the provisions set forth within the following definitions.

1.1 Agency

The term “**Agency**” means the Redevelopment Agency of Centerville City, a public body, exercising its functions and powers and organized and existing under the Utah Community Development and Renewal Agencies Act or any successor or replacement law or act (the “**Act**”), including any successor public agency designated by or pursuant to law. The principal office of the Agency is located at 250 North Main Street, Centerville, Utah.

1.2 Assessed Taxable Value

The term “**Assessed Taxable Value**” for any Tax Increment Year means the assessed taxable value as equalized and shown on the records of the Davis County Assessor’s Office for that Tax Increment Year for the Site.

1.3 Available Tax Increment

The term “**Available Tax Increment**” means the portion of the Tax Increment monies which the Agency actually receives, from the Site only, pursuant to the provisions of the Interlocal Agreements and Sections 17C-4-201 through 20 of the Act, less: 1) for each Tax Increment Year of the Tax Increment Subsidy Period, the first 5% of all the Tax Increment received by the Agency, which 5% of Tax Increment shall be received and retained by the

Agency for administrative purposes; and 2) any negative Tax Increment from the Project Area. The base tax year as that term is defined or used in the Act and Interlocal Agreements and applied to the Community Development Plan is calendar year 2010. "Negative Tax Increment" results when the current year assessed valuation for the Project Area falls below the base year assessed valuation of property in the Project Area.

1.4 Certificate of Occupancy

The term "**Certificate of Occupancy**" means, with respect to a building, a permanent certificate of occupancy for the building that is issued by the City.

1.5 City

The term "**City**" means Centerville City, a political subdivision of the State of Utah.

1.6 County

The term "**County**" means Davis County, Utah.

1.7 Developer

The term "**Developer**" means Legacy Crossing Theatre, LLC, with its principal offices located at _____.

1.8 Development Agreement

The term "Development Agreement" means the development agreement relating to Developer's proposed project within the Project Area, entered into between Developer and the City and attached hereto as Attachment No. 5.

1.9 Improvements

The term "**Improvements**" means the improvements contemplated under this Agreement to be constructed and installed by the Developer on a portion of the Site, as more particularly described or referred to in Attachment No. 1, together with all off-site improvements and all parking, internal drive lanes, sewer, water, storm sewer, curbs, gutters, sidewalks and landscaping on the Site, as required by City codes, rules and regulations and the Development Agreement.

1.10 Permitted Uses

The term "**Permitted Use**" or "**Permitted Uses**" shall be limited to the uses permitted by the City code, zoning ordinance and regulations of the City for the Site. The Site has been rezoned from Industrial Use (I-H and I-VH) to Commercial Very High (C-VH) with an associated Planned Development Overlay (PDO) zoning.

1.11 Project Area

The term “**Project Area**” means the Parrish-Legacy Crossing Community Development Project Area, as more fully described in the Community Development Plan.

1.12 Interlocal Agreements

The term “**Interlocal Agreements**” means the interlocal agreements between the Agency and each of Davis County, Davis County School District, Centerville City, Weber Basin Water Conservancy District, Davis County Mosquito Abatement District, South Davis County Sewer Improvement District and South Davis Recreation District, all of which Interlocal Agreements are attached hereto as Attachment No. 3.

1.13 Public Improvements

The term “**Public Improvements**” means the public improvements and other improvements to be constructed and installed by the Developer, as described in Attachment No. 4.

1.14 Community Development Plan

The term “**Community Development Plan**” means the Community Development Plan entitled the “Parrish-Legacy Crossing Community Development Plan,” adopted by the City Council through the adoption of Ordinance No. 2010-02 dated the 16th day of March 2010 and published on the 1st day of April 2010. The Community Development Plan is incorporated herein and made a part hereof as if set forth in full.

1.15 Site

The term “**Site**” means the real property situated in the Project Area described in the Site Legal Description, Attachment No. 2 hereto.

1.16 Tax Increment

The term “**Tax Increment**” means, as defined in Section 17C-1-102(44) of the Act, the difference between: (i) the amount of property tax revenues generated each tax year by all taxing entities from the area within a project area designated in the project area plan as the area from which tax increment is to be collected, using the current assessed value of the property; and (ii) the amount of property tax revenues that would be generated from that same area using the base taxable value of the property. Tax increment does not include taxes levied and collected under Section 59-2-1602, Utah Code Annotated 1953, as amended.

1.17 Tax Increment Subsidy Period

The term “**Tax Increment Subsidy Period**” means the 15-year period commencing with the first Tax Increment Year for which the Agency receives Tax Increment from the Project Area. Pursuant to the Interlocal Agreements, the first year for collection of Tax Increment may be any Tax Increment Year between 2012 and 2014, as determined by the Agency, subject to the provisions of Section 7.1 below.

1.18 Tax Increment Subsidy

(A) The term “**Tax Increment Subsidy**” means the portion of the Available Tax Increment that is required by specific terms of this Agreement to be paid to the Developer by the Agency, provided that the Developer is eligible to receive such payments pursuant to the terms and provisions of this Agreement; provided, however, that in no event shall the total amount of all payments of Tax Increment Subsidy to the Developer exceed the sum of THREE MILLION FIVE HUNDRED SEVENTY-FOUR THOUSAND DOLLARS (\$3,574,000.00) (the maximum “**Not To Exceed Amount Of Tax Increment Subsidy**”); provided, further that the Not To Exceed Amount Of Tax Increment Subsidy is subject to limitations and downward adjustments pursuant to other terms and provisions of this Agreement depending upon performance of certain requirements by the Developer.

(B) The following monies shall not be considered part of the Tax Increment Subsidy under any circumstances: (i) for each Tax Increment Year of the Tax Increment Subsidy Period, the first 5% of all the Tax Increment received by the Agency, which 5% of Tax Increment shall be received and retained by the Agency for administrative purposes; (ii) any negative Tax Increment from the Project Area; (iii) any Tax Increment monies which the Agency receives at any time attributable to property other than the Site, or from other project areas which the Agency and the City have previously established, or which they may hereafter establish other than the Project Area; (iv) the ad valorem property taxes paid regarding the Site prior to or after the Tax Increment Subsidy Period; (v) any Tax Increment monies which the Agency receives pursuant to any provision, consent or agreement other than those of the current Interlocal Agreements, whether as a result of other provisions of the Act or successor law, or additional approvals or consent obtained from a Taxing Entity Committee, one or more taxing entities, or an amended or additional interlocal agreement or resolution of a taxing entity providing additional Tax Increment not set forth in the current Interlocal Agreements, except to the extent the Agency in its sole discretion agrees to modify the terms of this Agreement in connection therewith. The Tax Increment monies described in the above Subparagraphs (i), (ii), (iii), (iv) and (v) are reserved by the Agency for uses and purposes other than payment to the Developer.

1.19 Tax Increment Year

The term “**Tax Increment Year**” means a calendar year beginning January 1 (the “tax lien date” when real property is deemed to be assessed for purposes of taxation by the Office of the Davis County Assessor pursuant to law) and ending December 31 of the same calendar year.

ARTICLE 2- CONDITIONS PRECEDENT TO THE PAYMENT OF THE TAX INCREMENT SUBSIDY BY THE AGENCY TO THE DEVELOPER

2.1 Conditions Precedent

As express conditions precedent to the Agency’s obligation to pay and the Developer’s eligibility to receive the Tax Increment Subsidy for each year of the Tax Increment Subsidy Period, as more fully described in Article 4, the Developer shall meet each of the following conditions precedent:

(A) Acquisition of Ownership of Portion of the Site; Development with Improvements. The Developer must have acquired ownership of the portion of the Site needed for the Improvements and must have developed the applicable portion of the Site with the Improvements in accordance with the terms, provisions and requirements of the Development Agreement.

(B) Theaters In Operation and Must Meet Minimum Operation Standard. The theater complex portion of the Improvements must have been in operation for the applicable Tax Increment Year, and the theaters must have had a minimum of 500,000 theater ticket sales for the applicable Tax Increment Year. The Developer shall provide accurate reporting to the Agency regarding the theater ticket sales for each Tax Increment Year; the Developer shall submit such reports in accordance with the provisions of Section 6.3(C).

(C) Completion of the Public Improvements. The Developer shall have timely completed to the satisfaction of the Agency and the City the design of, to City standards, and the construction and installation of, the Public Improvements as described and listed on Attachment No. 4 and all in conformance with the Development Agreement.

(D) Development Agreement and Terms and Conditions of this Agreement. The Developer shall have timely performed and shall not be in material breach of the Development Agreement, and subject to the provisions of Section 8.3, the Developer shall have timely performed each and every other term, covenant and condition of this Agreement to be performed under this Agreement, including but not limited to the timely payment of all ad valorem taxes on or relating to the Site when due.

2.2 Developer's Failure to Meet the Conditions Precedent. In the event that the Developer fails to perform any term, covenant or condition precedent described in Subparagraphs (A), (B), (C) and/or (D) of Section 2.1 during any Tax Increment Year, then the Agency shall have no obligation to pay the Developer the annual Tax Increment Subsidy available for such Tax Increment Year and the Tax Increment Subsidy amount available for such Tax Increment Year shall be retained by the Agency and used at its discretion.

2.3 Tax Increment Subsidy Period. Subject to the satisfaction of the conditions precedent described in Subparagraphs (A), (B), (C) and (D) of Section 2.1, and subject to compliance with all other requirements set forth in this Agreement, the Developer shall only be eligible for the Tax Increment Subsidy during the Tax Increment Subsidy Period.

2.4 Reduction of the Tax Increment Subsidy In Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements.

(A) In the event of a failure of the Developer to meet the conditions precedent or other eligibility requirements and this Agreement has not been terminated pursuant to Article 8, then the Tax Increment Subsidy shall be reduced as follows:

In any Tax Increment Year during the Tax Increment Subsidy Period in which the Developer has not met all of the conditions precedent or other requirements set forth in this Agreement for eligibility to receive the Tax Increment Subsidy

payment(s), then the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that Tax Increment Year shall not be paid to the Developer and shall be retained by the Agency for other Agency purposes, and the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that year shall be subtracted from the applicable Not To Exceed Amount Of Tax Increment Subsidy to be paid to the Developer and the difference shall be the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy." For example, if the Developer had initially qualified for the maximum Not To Exceed Amount Of Tax Increment Subsidy of \$3,574,000, and if there would have been \$200,000 of Tax Increment money available to pay the Developer as the Tax Increment Subsidy payment for Tax Increment Year 2012, but the Developer was not eligible to receive payment of the Tax Increment Subsidy because the Developer had failed to meet one or more of the above conditions precedent, then the "Not To Exceed Amount Of Tax Increment Subsidy" would be reduced by subtracting the sum of \$200,000 (the amount of Tax Increment that would have been available to pay the Tax Increment Subsidy) from the "Not To Exceed Amount Of Tax Increment Subsidy" of \$3,574,000, and the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy" shall be the sum of \$3,374,000 (i.e., $\$3,574,000 - \$200,000 = \$3,374,000$), which would be the new maximum "Not To Exceed Amount Of Tax Increment Subsidy" for purposes of this Agreement.

Each year during the Tax Increment Subsidy Period that the Developer is not eligible to receive the Tax Increment Subsidy and provided this Agreement has not been terminated pursuant to Article 8, the Tax Increment Subsidy shall not be paid to the Developer and, in addition, the "Not To Exceed Amount Of Tax Increment Subsidy" shall be reduced by subtracting the amount of Tax Increment that would have been available to pay the Tax Increment Subsidy from the "Not To Exceed Amount Of Tax Increment Subsidy" as originally determined, or as the amount may have been reduced pursuant to the provisions of this Subparagraph (A).

(B) The Agency shall have no obligation to pay to the Developer any amount of Tax Increment Subsidy in excess of the amended, reduced or adjusted "Not To Exceed Amount Of Tax Increment Subsidy".

DEVELOPER'S OBLIGATIONS AND UNDERTAKINGS

ARTICLE 3—CONSTRUCTION AND INSTALLATION OF IMPROVEMENTS AND PUBLIC IMPROVEMENTS, PAYMENT OF TAXES, PROHIBITION AGAINST CERTAIN PARCEL SPLITTING, ETC.

The Developer also hereby agrees as follows:

3.1 Acquisition of Ownership of Portion of Site and Construction and Installation of Improvements

(A) Acquisition, Grading and Construction and Installation of Improvements. The Developer agrees, at its expense, to finish acquiring ownership of the portion of the Site needed for the Improvements, undertake the grading of the portion of the Site necessary for the construction and installation of the Improvements and the Developer shall complete the construction and installation of the Improvements on or before December 31, 2012. The Developer shall construct and install all of the Improvements without expense to the Agency, except for payments of the Tax Increment Subsidy in accordance with the terms and provisions of this Agreement. The Developer shall prepare the Site for construction and installation of the Improvements, and construct and install the Improvements, in such a manner that the development shall meet applicable parking, landscaping and other requirements of the City's laws and regulations. All Improvements shall comply with the City's zoning, building, parking, sign and other ordinances and regulations. The Improvements constructed and installed by the Developer on and related to the Site shall also be in compliance with all permits and plans approved by the City and with the Development Agreement.

(B) City Permits. The Developer shall have the sole responsibility for obtaining all necessary permits and approvals to construct and install the Improvements and shall make application for such permits and approvals directly to the City Community Development Department and other appropriate agencies and departments. Developer shall pay all required impact fees, permit fees and other fees related to the construction of the project subject to any credits provided by the Development Agreement, if any, or applicable law.

3.2 Construction and Installation of the Public Improvements

The Developer shall timely design the Public Improvements to the City's and Agency's standards and requirements and shall submit said designs to the City and the Agency for approval. The Developer shall timely complete the construction and installation of the Public Improvements in accordance with the City and Agency approved designs, by the times set forth in Attachment No. 4, and in accordance with the provisions and requirements of the Development Agreement. The Developer shall design, construct and install all of the Public Improvements without expense to the Agency, except for reimbursement as provided for in this Agreement through the payment of the Tax Increment Subsidy, provided the Developer qualifies and is eligible for such payments in accordance with the terms and provisions of this Agreement.

3.3 Developer's Payment of Ad Valorem Taxes

The Developer shall pay or cause to be paid the ad valorem taxes for the Site based on the Assessed Taxable Value during the Tax Increment Subsidy Period.

The Developer understands that in order for Improvements constructed and installed on the Site during calendar year 2011 to be included on the final tax assessment rolls of Davis County for Tax Increment Year 2012, and to generate a Tax Increment for Tax Increment Year 2012, the Improvements on the Site must be constructed, installed and completed on or before December 31, 2011. Improvements constructed, installed and completed during calendar year 2012 will appear on the 2013 tax assessment roll having a tax lien date of January 1, 2013. Tax Increment resulting from property taxes paid on November 30, 2012, will be received by the

Agency from the County in the spring of 2013, when the County Treasurer pays to the Agency the Tax Increment monies which are available for distribution in accordance with the Interlocal Local Agreements attached hereto as Attachment No. 3.

3.4 Restriction Against Parcel Splitting

Until the end of the Tax Increment Subsidy Period, the Developer shall not, without the prior written approval of the City and the Agency: (a) convey the Site, or a portion of the Site, or any real property acquired by the Developer within the Project Area, in such a way that the parcel of real property would extend outside the Project Area as shown on the County's tax identification system for numbering individual parcels of real property; (b) construct or install or allow to be constructed or installed any building or structure on the Site, or on any portion of the Project Area, in such a way that the building or structure would extend outside the Project Area as shown on the County's tax identification system for numbering individual parcels of real property. The Developer understands that the purpose and intent of this prohibition is to avoid the "splitting" of any parcels of real property within the Project Area or the "joining" of any parcels of real property within the Project Area with those outside the Project Area, or construction or installation of buildings, in such a way that the County Assessor or County Auditor could no longer identify, by distinct parcels, the periphery boundaries of the Project Area described in the Community Development Plan, or the buildings or structures included within the Project Area, and would be required to "apportion" Tax Increment monies between a parcel of real property, or a building or structure, located in part within the Project Area and located in part outside the Project Area. The Developer understands the importance of honoring the Project Area boundaries and agrees to take no action in the construction or installation of buildings or structures or in the conveyance of real property located within the Site or the Project Area that would result in the "splitting" or "joining" of a parcel of real property or the improvements thereon, or would make it difficult for the County Assessor or County Auditor to calculate the amount of Tax Increment in the Project Area.

3.5 Deannexation (Disconnection)

The Developer agrees that it will not cooperate with any person, group, or municipality in any effort to remove, deannex, disconnect or disincorporate the Site or any portion thereof from the municipal boundaries of the City until after December 31, 2035. The Developer further agrees that during the Tax Increment Subsidy Period it will use its best efforts to resist any efforts to remove, disconnect, deannex or disincorporate the Site in whole or in part from the City by any existing or future municipality or county. In the event the Site is disconnected, deannexed or disincorporated in whole or in part from the City by any existing or future local municipality or county, the Agency's right to receive Tax Increment from the Site may cease. In such case, the Agency's obligation to pay the Tax Increment Subsidy to the Developer shall immediately and automatically cease and terminate.

3.6 Payment of Taxes And Assessments

(A) Subject to the Developer's or a current owner's right to protest or appeal as provided below, for each Tax Increment Year during the Tax Increment Subsidy Period, all ad

valorem taxes and assessments levied or imposed on the Site, any of the Improvements, and any personal property on the Site shall be paid annually by the Developer or current owner on or before the due date which is currently set by law as November 30th.

(B) The Developer shall have the right to protest or appeal the amount of Assessed Taxable Value and taxes levied against the Site by the County Assessor, State Tax Commission or any lawful entity authorized by law to determine the ad valorem assessment against the Site, the Improvements, personal property on the Site, or any portion thereof in the same manner as any other taxpayer as provided by law. The Developer shall, however, notify the Agency in writing within ten (10) calendar days of the Developer's filing of any protest or appeal to such assessment determination or taxes and provide a copy to the Agency of any protest or appeal of such assessment and information submitted as part of the protest or appeal. In addition, the Developer shall give to the Agency written notice at least fifteen (15) calendar days prior to the time and date that such protest or appeal is to be heard. The Agency shall have the right, without objection by the Developer, to appear at the time and date of such protest or appeal and to present oral or written information or evidence in support of or objection to the amount of assessment or taxes which should or should not be assessed against the real or personal property of the Site and the amount of the Agency's obligations.

ARTICLE 4 – CONSTRUCTION REQUIREMENTS, ETC.

4.1 Issuance of Permits

The Developer shall have the sole responsibility for obtaining all necessary permits and approvals to construct and install the Improvements and Public Improvements and shall make application for such permits and approvals directly to the City Community Development Department and other appropriate agencies and departments.

4.2 Times for Construction

The Developer agrees that it shall promptly begin and diligently prosecute to completion the development of a portion of the Site through the construction and installation of the Improvements thereon commencing no later than December 31, 2011, and that construction and installation of the Improvements shall in any event timely commence and thereafter diligently pursue and shall be completed no later than the date set forth on Attachment No. 1, unless either such date is extended by the Agency, or the Developer is unable to timely undertake or complete the Improvements because of any of the reasons set forth in Section 8.3, Enforced Delay. The Developer understands and agrees that time is of the essence of this Agreement. Unless the Improvements are timely constructed, installed and completed and become part of the County's final assessment tax roll, the Available Tax Increment necessary to pay the Agency obligations and indebtedness will not materialize, and the Agency would be unable to pay its obligations.

4.3 Access to Site

The Improvements on the Site and the work of the Developer shall be subject to inspection by representatives of the City and the Agency. The Developer shall permit access to the Site by the City and the Agency for purposes of inspection, and, to the extent necessary, to

carry out the purposes of this and other sections or provisions of this Agreement. Inspections shall be made during reasonable business hours and shall be made in accordance with standard project safety guidelines.

ARTICLE 5 – LAND USES

5.1 Covenants

The Developer covenants and agrees for itself, and its successors and assigns to or of the Site or any part thereof, that the Developer, and such successors and assigns shall, subject to the terms and conditions contained in this Agreement:

FIRST: Devote the Site to, and only to and in accordance with, the uses specified in the Community Development Plan, and this Agreement, as hereafter amended and extended from time to time, but never without the prior written consent of the Agency for uses other than Permitted Uses.

SECOND: Pay when due and on or before the tax payment date all ad valorem taxes or assessments on or relating to the Site or any part thereof, and on any property located on the Site or any part thereof.

THIRD: Except as otherwise provided herein, commence promptly the construction and installation of the Improvements on the applicable portion of the Site and prosecute diligently the construction and installation of such Improvements to completion, and complete the construction and installation of the Improvements on or before the dates set forth in this Agreement.

FOURTH: Except as set forth below, prior to the completion of the Improvements the issuance of the applicable Certificates of Occupancy for such Improvements, the Developer shall have no power to convey the Site, or any part thereof, without the prior written consent of the Agency. The Developer may, however, convey the Site, or any part thereof, prior to the completion of the Improvements and the issuance of the applicable Certificate of Occupancy, without the prior written consent of the Agency to: (1) a mortgagee or trustee under a mortgage or deed of trust permitted by this Agreement to obtain funds necessary to construct and install the Improvements; or (2) as security for obtaining financing permitted by this Agreement for the purposes of construction and installation of the Improvements; or (3) to an end user of a pad or lot of the Site, which end user is obligated pursuant to the terms of the conveyance of a pad or lot of the Site to construct thereon its own building; or (4) as authorized in Section 6.2 of this Agreement. In addition, as provided immediately below, with the consent of the Agency, the Developer may convey the Site or any portion thereof to a new proposed developer of all or any portion of the Site pursuant to a development contract containing the applicable terms and conditions of this Agreement binding upon the new proposed developer in conformance with and subject to the approval of the Agency.

As provided above and elsewhere in this Agreement, until the Improvements are completed and Certificates of Occupancy therefore are issued by the City, the Developer shall obtain the written consent of the Agency before conveying the Site or any part thereof. As a condition of granting such written consent, the Agency may require that any proposed transferee

who wishes to purchase all or part of the Site prior to the completion of Improvements and the issuance of Certificates of Occupancy for such Improvements enter into a written agreement with the Agency to assume the obligations of the Developer under this Agreement and become a developer of all or a portion of the Improvements described on Attachment No. 1 and to be bound by the terms of this Agreement and to become the successor in interest to the Developer under this Agreement with respect to the Site or portion thereof to be conveyed.

FIFTH: Not discriminate against any person or group on any unlawful basis in the sale, lease, rental, sublease, transfer, use, occupancy, tenure or enjoyment of the Site or any improvements erected or to be erected thereon, or any part thereof.

5.2 Enforcement of Covenants

(A) It is intended and agreed that the agreements and covenants provided in this Article 5 shall be covenants running with the land and without regard to technical classification or designation, legal or otherwise, be to the fullest extent permitted by law and equity, binding for the benefit and in favor of, and enforceable by the Agency against the Developer, its successors and assigns, to or of the Site or any part thereof or any interest therein, and any party in possession or occupancy of the Site or any part thereof. The Parties agree that the Agency shall be deemed a beneficiary of the agreements and covenants provided in Section 5.1 of this Article, both for and in its own right and also for the purposes of protecting the interest of the community and other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided.

(B) The covenant and agreement contained in covenant numbered Section 5.1 FIRST shall terminate at the end of the Tax Increment Subsidy Period, except that the termination of the covenant numbered 5.1 FIRST shall in no way be construed to release the Developer, or its permitted successors, from the obligation to comply with the applicable zoning or other ordinances or regulations of the City.

(C) The covenant and agreement contained in covenant numbered 5.1 SECOND shall terminate on December 31, 2030, except that the termination of the covenant numbered 5.1 SECOND shall in no way be construed to release the Developer, or its successors, from their obligation to pay real estate taxes or assessments on the Site or any part thereof.

(D) The covenants and agreements contained in covenants numbered 5.1 THIRD and FOURTH shall terminate as to a particular parcel of real property of the Site on the date the City has issued the Certificate or Certificates of Occupancy as to the particular parcel of real property on the Site, or as to a particular phase of construction or installation of the Improvements, on the date that the City has issued the Certificate(s) of Occupancy to the Developer. The Certificate(s) of Occupancy shall be evidence that the Improvements or a particular portion of construction or installation of the Improvements on the Site have been completed. The covenant numbered 5.1 FIFTH shall not terminate.

ARTICLE 6– ANTI-SPECULATION AND ASSIGNMENT PROVISIONS

6.1 Representation as to Development

The Developer represents and agrees that its use of the Site, and the Developer's other undertakings pursuant to this Agreement, are and shall be only for the purpose of development of the Site and not for speculation in land holding. The Developer represents to the Agency that the Developer has not made or created, and that it will not, prior to the proper completion of the Improvements, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease (other than to an end user of a building or other portion of the Improvements), or any trust or power, or transfer in any other mode or form of or in respect to this Agreement or the Site, or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the Agency.

6.2 Prohibition Against Transfer and Assignment

(A) The Developer further agrees, in view of: (1) the importance of the development of the Site to the general welfare of the community; (2) the public subsidy that has been or will be made available for the purpose of making such development possible; and (3) the fact that a change in the ownership or with respect to the identity of the parties in control of the Developer or the degree thereof until the Improvements are completed on the Site, is, for practical purposes, a transfer or disposition of the property owned by the Developer; that, except as otherwise provided below, no change in the ownership of the Site, or change in the majority ownership or control of the Developer, or with respect to the identity of the parties in control of the Developer, shall be permitted without the express written consent of the Agency until the time that Improvements have been constructed and installed on the Site. The Agency's decision to approve or disapprove of a transfer or assignment shall be based upon the Agency's evaluation of the ability of the proposed successors to construct, install, maintain and operate satisfactory improvements on the Site and provide benefits to the community from the Site which are comparable to those benefits contemplated to be provided by the Developer from the construction, installation, maintenance and operation of its Improvements on the Site and of the Public Improvements, as described in this Agreement. The Agency may require as conditions to any such approval of a transfer or assignment before construction and installation of the Improvements that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the Agency, necessary and adequate to fulfill the obligations undertaken pursuant to this Agreement by the Developer;

(2) Any proposed transferee, by instrument in writing, shall have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all of the conditions and restrictions to which the Developer is subject; provided, that there has been submitted to the Agency for review, and the Agency has approved, all instruments and other legal documents involved in effecting transfer;

(3) The Developer and any subsequent transferee shall comply with such other conditions as the Agency may find desirable in order to achieve and safeguard the purposes of the Act, the Community Development Plan, and this Agreement. Provided, however, that in the absence of specific written agreement by the Agency to the contrary, no such transfer or approval by the Agency shall be deemed to relieve the

Developer or any successor of the Developer bound in any way by this Agreement or otherwise with respect to any term, covenant or condition of this Agreement, including but not limited to, the construction and installation of the Improvements and Public Improvements, or any of the obligations with respect thereto; and

(4) The consideration payable for the transfer by the transferee or on its behalf shall not exceed an amount representing the actual costs and expenses incurred and due under generally accepted accounting principles, including the Developer's cost of acquiring the portion of the Site being transferred, carrying charges, development costs, and return on investment (not exceeding 15% per annum) to the Developer of the Site and the Improvements, if any, theretofore made thereon by it. It is the intent of this provision to preclude the assignment of this Agreement or transfer of the Site or any parts thereof to another party for a profit greater than provided for immediately above, and to preclude the Developer from receiving from a sale of the Site, or portions thereof, payments covering the Developer's costs and expenses and a reasonable return on investment, while in addition receiving the benefits and Tax Increment Subsidy provided by this Agreement.

Subject to reasonable compliance with the foregoing conditions, the approval of the Agency to the proposed transfer or assignment before construction and installation of the Improvements shall not unreasonably be withheld.

(B) Notwithstanding the provisions of this Section 6.2, a transfer of the entire or a portion of the Site or change in the ownership or control of the Developer is permitted under the following circumstances: (i) a transfer occurs to an entity that is an affiliate of the Developer, (ii) a transfer or change in ownership occurs as a result of a merger or acquisition of the Developer, (iii) Developer, in one or more transactions, transfers a portion or portions of the Site to another developer that in connection with the transfer is obligated to construct one or more buildings of the Improvements under circumstances where Developer retains the obligation to install the Public Improvements described on Attachment No. 4 and the Improvements, and/or (iv) a transfer occurs only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer, or its permitted successor in interest, to perform its obligations with respect to making the Improvements under this Agreement. No consent of the Agency shall be required for any transfer or change in ownership or control under this Section 6.2(B).

(C) The provisions of this Section 6.2 shall terminate upon the issuance of the Certificates of Occupancy for the Improvements.

6.3 Reports and Notices – Changes in Ownership

The Developer agrees that during the period between execution of this Agreement and the issuance of the applicable Certificate(s) of Occupancy:

(A) The Developer will promptly notify the Agency of any and all changes whatsoever with respect to: (1) a change in the Project Manager of the Developer; (2) a change

in control or change in over 50% ownership, legal or beneficial of the Developer; (3) a change or any other act or transaction involving or resulting in any change in control or change in over 50% of the ownership of the Developer; or (4) with respect to the identity of the parties in control of the Developer or the degree thereof, of which it or any of its managers or officers have been notified or otherwise have knowledge or information.

(B) The Developer shall, at such time or times as the Agency may request, but no more often than twice a year, furnish the Agency with a complete statement, subscribed and sworn to by the manager or an officer of the Developer, setting forth any person or entity having control or over 50% of the ownership interest of the Developer and the extent of their respective holdings, and in the event any other parties have a beneficial interest, their names and the extent of such interest.

(C) After the completion of the Improvements and commencement of operation of the theater complex within the Site, the Developer shall cause a report to be filed with the Agency by January 31 of each year, reporting the total number of theater ticket sales of the theater complex within the Site for the previous calendar year. The Developer shall make appropriate arrangements to obtain the information needed to comply with the provisions of this subsection (C), including insertion of appropriate provision in its lease with the theater complex tenant.

6.4 Application to All Forms of Entities

The provisions of this Article shall apply without exception to all forms of business organization, including but not limited to, limited liability companies, corporations, sole proprietorships, joint ventures and partnerships, both general and limited.

ARTICLE 7 -- AGENCY OBLIGATIONS AND UNDERTAKINGS

7.1 Tax Increment Subsidy

(A) In consideration of the Developer's promises and performance, including but not limited to the timely construction and installation of the Improvements and of the Public Improvements to the extent set forth or described on Attachment Nos. 1 and 4, respectively, and the other obligations of Developer under this Agreement, and subject to the conditions, terms and limitations set forth in this Agreement, including those set forth in Section 7.5, Limitations On Making Payments, below, and contingent on the Developer otherwise being eligible and entitled under this Agreement, and only to the extent the Developer is entitled and eligible under the conditions, terms and provisions of this Agreement to receive Tax Increment Subsidy payments, the Agency agrees to pay to the Developer the Tax Increment Subsidy during the Tax Increment Subsidy Period by payment of 100% of the Available Tax Increment from each Tax Increment Year of the Tax Increment Subsidy Period, until the Not To Exceed Amount of Tax Increment Subsidy, as adjusted pursuant to the terms of this Agreement, has been paid (or the Tax Increment Subsidy Period ends). The Agency agrees that it will "trigger" or commence the taking of Tax Increment monies from the Site for the first time earlier than the 2014 Tax Increment Year (the latest year allowed by the Interlocal Agreements), in accordance with the following: The Agency will "trigger" or commence taking of Tax Increment monies from the

Site for the Tax Increment Year that begins after all of the following conditions have been satisfied:

(1) The construction and installation by the Developer of the Improvements and the Public Improvements has been completed;

(2) Final Certificates of Occupancy have been issued by the City for all of the Improvements;

(3) The tenant for the 14-screen theater complex portion of the Improvements has entered into a fully executed, long-term lease to operate the theater complex and has commenced operation of the theater complex.

The Agency's payments to the Developer of the Tax Increment Subsidy shall be made to the Developer. The Tax Increment payments received each year by the Agency from the ad valorem taxes paid by taxpayers to the County Treasurer on November 30 each year on the Site, to the extent required under this Agreement to be paid to the Developer as Tax Increment Subsidy, shall be paid to the Developer within thirty (30) calendar days following final payment and receipt by the Agency of all Tax Increment funds for the applicable Tax Increment Year. The Agency anticipates receipt of these funds in the spring each year from the ad valorem taxes paid by property owners which are due the prior November 30th.

(B) It is understood and agreed by the Developer that the Agency makes no representation to the Developer, or to any other party, person or entity, to any effect that:

(1) the Agency is absolutely entitled to or will actually receive the contemplated Available Tax Increment from the Site; or

(2) the portion of the anticipated Available Tax Increment monies to be received by the Agency from the Site for the Tax Increment Subsidy Period will be an amount large enough to pay the Developer the Tax Increment Subsidy or any amount the Developer expects or anticipates to receive. The Agency has not computed, nor can it compute the exact amount of anticipated Available Tax Increment monies which may be available from the Site for the Tax Increment Subsidy Period. The Agency has relied upon the representations made to the Agency by the Developer that the Developer will construct and install Improvements on the Site which will create sufficient Available Tax Increment monies to be received by the Agency.

7.2 Priority of Payment of the Available Tax Increment.

The Agency and the Developer agree that the Available Tax Increment monies received by the Agency shall be paid out according to a schedule of priorities. Each year that the Agency receives Available Tax Increment money from the Site during the Tax Increment Subsidy Period, the Agency shall use the Available Tax Increment money in accordance with the following order of priority of payments:

First: First, for each Tax Increment Year of the Tax Increment Subsidy Period, the Agency shall have, receive and retain the first 5% of all the Tax Increment (which amount is already deducted in calculating Available Tax Increment), which 5% of Tax Increment shall be received and retained by the Agency to pay the Agency's administrative, consulting, legal and other Agency costs and expenses, and other obligations incurred or to be incurred.

Second: Second, the remaining Tax Increment, 100% of the Available Tax Increment, will be used to pay the Tax Increment Subsidy to the Developer as required and provided for in this Agreement.

7.3 Tax Increment Monies Are Sole Source of Agency's Funding.

The Developer understands and agrees that the only source of monies available to the Agency to pay its obligations, including but not limited to the Tax Increment Subsidy, is the Available Tax Increment monies actually received by the Agency from the Site based upon the value of the Improvements to be constructed and installed by the Developer on the Site. Only the Available Tax Increment monies from the Site, less any negative Tax Increment from the Project Area deducted by the County Assessor's office will be available to the Agency to meet said obligations.

7.4 Contingencies of Tax Increment Payments; Assumption of Risks By Developer.

The Developer understands and agrees that:

(A) Based upon the Act, the Agency anticipates to be the recipient of certain Tax Increment monies from the Site which are expected to be paid to the Agency by Davis County, the collector of ad valorem taxes, conditional upon several factors, one of which is the completion of the Improvements upon the Site in a timely manner and having a sufficient amount of assessed valuation. It is anticipated that the construction or installation of the Improvements will cause the assessed value of the Site to increase to a point which is greater than the assessed value of the Site as contained in the 2010 "base year" established at the time of the adoption of the Interlocal Agreements. The Developer further understands that the Available Tax Increment monies can become available to the Agency only if and when the Improvements to be constructed and installed on the Site are completed and have a current year assessed value which is greater than the "base year" assessed valuation of the Site.

(B) The Developer further understands and agrees that:

(1) The Agency is not a taxing entity under state law;

(2) The Agency has no power to levy a property tax on real or personal property located within the Site;

(3) The Agency has no power to set a mill levy or rate of tax levy on real or personal property;

(4) The Available Tax Increment monies shall become available to the Agency only if and when the Improvements to be constructed and installed on the Site are completed and have sufficient Assessed Taxable Value;

(5) The Agency is only entitled to receive Tax Increment funds from the Site for the period established by law pursuant to the provisions of the Act and in accordance with the Interlocal Agreements (Attachment No. 3); and

(6) The Developer has investigated the provisions of state laws governing tax funds, community development and renewal agencies and Tax Increment and assumes all risk regarding whether:

(a) the Community Development Plan and Project Area and Interlocal Agreements were properly approved and adopted;

(b) the anticipated Tax Increment monies derived from the Improvements to be constructed and installed by the Developer on the Site and in conformance with the Community Development Plan will actually be paid to the Agency, and if paid, whether the amount of Tax Increment funds will be sufficient to pay the obligations or indebtedness of the Agency, according to the terms and conditions contained in this Agreement;

(c) the Available Tax Increment from the Site will be paid to the Agency during the entire Tax Increment Subsidy Period; and

(d) changes or amendments will be made by the Utah State Legislature in the provisions of the Act which would affect or impair:

(i) the Agency's right to receive Tax Increment monies and to pay the Agency's obligations;

(ii) the length of time said Tax Increment monies can be received by the Agency; or

(iii) the percentage or the amount of Tax Increment monies received or anticipated to be received by the Agency based upon the current statutes;

(7) The Utah State Legislature considers proposals which reduce the taxes which the State of Utah imposes, or other taxing entities impose, on all real and personal property within the State. Such proposals, if enacted, could materially reduce the amount of Tax Increment generated within the Project Area or from the Site and anticipated to be paid to the Agency. In the event of such reduction, the amount of the Tax Increment Subsidy to be paid to the Developer automatically shall likewise be reduced by the amount of such reduction.

7.5 Limitations on Making Payments

The following additional provisions regarding limitations and reductions regarding the Developer's entitlement to and eligibility to be paid or to receive the Tax Increment Subsidy shall govern and shall be applied in addition to any other term or provision of this Agreement:

(A) It is the intention of the parties that the Developer shall only be paid the Tax Increment Subsidy from the Tax Increment monies, if any, which are paid to the Agency as a direct result of the value of the improvements (including the value of both the real property and personal property) constructed or installed on a parcel of the Site. If, for any reason, the Tax Increment monies anticipated to be received by the Agency as a direct result of the improvements to be constructed and installed on the Site are reduced, curtailed, or limited in any way by enactments, initiative referendum, or judicial decree or other reasons, the Agency's obligation to pay the Tax Increment Subsidy to the Developer as described in this Agreement, shall likewise be reduced, curtailed, or limited. The Agency shall have no obligation to pay the Tax Increment Subsidy to the Developer from other sources or monies that the Agency has or might hereafter receive from other project areas or from sources other than from the Tax Increment monies that the Agency actually receives from the Site.

(B) Subject to the limitations in this Agreement, the Tax Increment Subsidy shall be paid by the Agency to the Developer only during the Tax Increment Subsidy Period, conditional, however, upon the Developer being eligible and entitled thereto under the provisions of this Agreement and the Developer having met all of the eligibility requirements and conditions precedent.

(C) The Tax Increment Subsidy payments to be made by the Agency to the Developer are secured solely by a pledge of the Agency of the agreed upon percentage of the Available Tax Increment Agency actually received by the Agency from the Site for the Tax Increment Subsidy Period. The Developer shall have no other recourse to the Agency or the City and no recourse whatever to any other party for payment of the Tax Increment Subsidy other than the Agency's pledge.

ARTICLE 8- REMEDIES

8.1 Default by Developer or Intention Not to Construct and Install the Improvements

If the Developer defaults or breaches any of its obligations contained in this Agreement, including but not limited to the obligation to complete the construction and installation of the Improvements by December 31, 2012, and does not timely cure such default or breach as provided in this Agreement, or if Developer makes it known that it does not intend to construct and install the Improvements, then all obligations of the Agency to pay any Tax Increment Subsidy Payments to the Developer shall automatically cease and terminate.

8.2 General Remedies; Agency and Developer

Subject to the other provisions of this Article 8, in the event of any default or breach of this Agreement or any of its terms, covenants or conditions by any Party hereto, such Party shall, upon written notice from the other Party, proceed immediately to cure or remedy such default or breach, and in any event, do so within thirty (30) calendar days after receipt of such notice or if

such default or failure is of a type that cannot reasonably be cured within such thirty (30) day period, within one hundred twenty (120) days, provided that such cure is commenced within a thirty (30) day period and diligently pursued to completion, unless a longer period of time is agreed to by the Parties pursuant to Section 8.4. In case such action is not taken, or diligently pursued, or the default or breach shall not be cured or remedied within the time periods provided above, the aggrieved Party may institute such proceedings as may be necessary or desirable, at its option, to cure or remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the Party in default or breach of its obligations. In the event of any default in or breach of this Agreement by the Developer or the Agency which is not cured within the time limits contained in this Agreement, the non-defaulting Party may, at its option, take such action as allowed by law, in equity and/or provided for in this Agreement. Any delay by the Agency in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Article shall not operate as a waiver of such rights.

8.3 Enforced Delay Beyond Party's Control

Neither the Agency nor the Developer shall be considered in breach of or default in its obligations hereunder, including but not limited to, with respect to the preparation of the Site for development, or the beginning and completion of construction and installation of the Improvements or Public Improvements, or progress in respect thereto, in the event of delay in the performance of such obligations due to causes occurring beyond its control and without its fault or negligence, including acts of God, or of the public enemy or terrorists, wrongful acts of the other Party, fires, floods, earthquake, epidemics, quarantine restrictions, strikes, freight embargoes, wars and unusually severe weather or delays of subcontractors due to such causes. The purpose and intent of this provision is that in the event of the occurrence of any such delay, the time or times for performance of the obligations of the Developer with respect to the preparation of the Site for development or the construction and installation of the Improvements or the Public Improvements, as the case may be, can be extended for the period of the delay: Provided, that in order to obtain the benefit of the provisions of this Section, a Party, within fifteen (15) calendar days after becoming aware of any such delay, shall have notified the other Party thereof in writing stating the cause or causes for the delay.

8.4 Extensions by Agency

The Agency may in writing extend the time for the Developer's performance of any term, covenant or condition of this Agreement or permit the curing of any default upon such terms and conditions as may be mutually agreeable to the Parties provided, however, that any such extension or permissive curing of any particular default shall not operate to release any of the Developer's obligations nor constitute a waiver of the Agency's rights with respect to any other term, covenant or condition of this Agreement or any other default in, or breach of, this Agreement.

8.5 Remedies Cumulative/Non-Waiver

The rights and remedies of the Parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative, and the exercise by any Party of any one or more of such

remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other Party. No waiver made by any Party with respect to the performance, or manner or time thereof, or any obligation of the other Party or any condition to its own obligation under this Agreement shall be considered a waiver of any rights of the Party making the waiver with respect to the particular obligation of the other Party or condition to its own obligation beyond those expressly waived and to the extent thereof, or a waiver in any respect in regard to any other rights of the Party making the waiver or any other obligations of the other Party.

ARTICLE 9- MISCELLANEOUS PROVISIONS

9.1 Conflict of Interest - Agency

No member, official, employee, consultant, or agent of the Agency shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is directly or indirectly interested.

9.2 No Personal Liability - Agency

No member, official, employee, consultant, agent or representative of the Agency shall be personally liable to the Developer or any successor in interest in the event of any default or breach by the Agency for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

9.3 Notices

A notice or communication under this Agreement, by a Party to another Party, shall be sufficiently given or delivered, if given in writing by personal service, express mail, Federal Express, DHL or any other similar form of courier or delivery service, or mailing in the United States mail, postage prepaid, certified, return receipt requested and addressed to such Party as follows:

(A) In the case of a notice or communication to the Agency, Chairperson, Redevelopment Agency of Centerville City, 250 North Main Street, Centerville, Utah 84014, with a copy to Randall S. Feil, 3748 Bountiful Blvd., Bountiful, Utah 84010-3316; In the case of a notice or communication to the Developer, addressed to it as follows: Legacy Crossing Theatre, LLC, Attn: Danny C. Bridenstine and Kevin S. Garn, _____, _____, Davis County, Utah with copies to _____. Either Party may modify the foregoing notice information by giving written notice to the other Party as provided in this Section.

(B) Notwithstanding the foregoing, the Agency may make inquiries from time to time regarding the schedule of the Project to the following person:

Danny C. Bridenstine
Legacy Crossing Theatre, LLC
1513 Hillfield Road, Suite #2
Layton, Utah 84041
Telephone: (801) 860-3007

9.4 Attachments/Recitals

All Attachments referred to in this Agreement as being attached or to be attached hereto, whether or not in fact attached, the Parties being satisfied that the correct documents can be supplied from the records of the Parties, and Recitals, are incorporated herein and made a part hereof as if set forth in full and are binding upon the Parties to this Agreement.

9.5 Headings

Any titles of the several parts and sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

9.6 Successors and Assigns of Developer

This Agreement shall be binding upon the Developer and its successors and assigns. Where the term "Developer" is used in this Agreement, it shall mean and include the successors and assigns of the Developer, except that the Agency shall have no obligation under this Agreement to any unapproved successor or assignee of the Developer where the Agency's approval of a successor or assignee is required by this Agreement.

9.7 Attorneys Fees

In the event of a default hereunder, the defaulting Party agrees to pay all costs incurred by the other Party in enforcing this Agreement, including reasonable attorney's fees, whether by in-house counsel or outside counsel and whether incurred through initiation of legal proceedings or otherwise.

9.8 Governing Law

This Agreement shall be interpreted and enforced according to the laws of the State of Utah.

9.9 Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.10 Time

Time is of the essence of this Agreement and its Attachments.

IN WITNESS WHEREOF, the Agency has caused this Agreement to be duly executed in its behalf; and the Developer has caused the same to be duly executed in its behalf, on or as of the day and year first above written.

REDEVELOPMENT AGENCY OF
CENTERVILLE CITY

By Ronald G. Russell
Ronald G. Russell, Chairperson

ATTEST:

Steve H. Thacker
Steve H. Thacker, Executive Director

Approved as to form:

Randall S. Feil, Agency Special Counsel

STATE OF UTAH)
)
) ss.
COUNTY OF DAVIS)

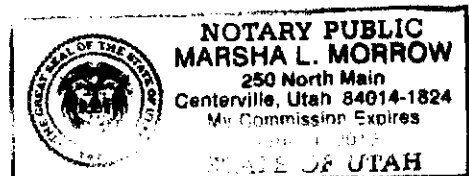
On the 22nd day of September 2010, personally appeared before me Ronald G. Russell and Steve H. Thacker who being by me duly sworn did say, each for themselves that he, the said Ronald G. Russell is the Chairperson and he, the said Steve H. Thacker is the Executive Director of the Redevelopment Agency of Centerville City and that the within and foregoing instrument was signed in behalf of said Agency by authority of a motion of its board of directors and said Ronald G. Russell and Steve H. Thacker each duly acknowledged to me that said Agency executed the same.

My Commission Expires:

4-11-2012

ADL 9/14/10

Martha L. Morris
Notary Public
Residing at: _____



LEGACY CROSSING THEATERS, LLC,
a Utah limited liability company

By: [Signature]
Kevin S. Garn
Manager

By: [Signature]
Danny C. Bridenstine
Member

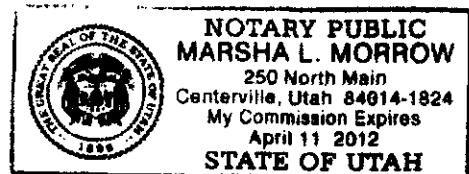
STATE OF Utah)
COUNTY OF Dance) :SS.

On the 27th day of September 2010 personally appeared before me Kevin S. Garn who being by me duly sworn did say, that as a member and manager of Legacy Crossing Theaters, LLC he has signature authority for said LLC, and that the within and foregoing instrument was signed in behalf of said Legacy Crossing Theaters, LLC, and acknowledged to me that said company executed the same pursuant to authority under or as authorized by its operating agreement or other proper authority.

[Signature]
Notary Public
Residing at:

My Commission Expires:

4-11-2012



ATTACHMENT NO. 1
DESCRIPTION OF IMPROVEMENTS AND DEADLINE

The Improvements shall include the following:

Improvements. The Developer will construct or cause to be constructed on the Site a theater complex of not less than 80,000 square feet and consisting of not less than 14 theater screens, one screen of which will be an digital IMAX theater screen, which said improvements shall be constructed and installed in compliance with permits, the project master plan approved by the City and the Development Agreement, and shall include all related parking, landscaping, utilities and other site improvements and offsite improvements, all as provided for in the Development Agreement. Construction and installation of the Improvements shall be completed on or before December 31, 2012.

SITE PLAN RELATING TO THE IMPROVEMENTS
(Second Sheet to Attachment No. 1)

ATTACHMENT NO. 2
SITE LEGAL DESCRIPTION

Legacy Crossing Legal Description

Beginning at a point on the west line of a Union Pacific Railroad Right-of-Way, said point being North 0°05'33" West 956.36 feet along the section line and West 112.25 feet from the Southeast Corner Section 12, Township 2 North, Range 1 West, Salt Lake Base and Meridian, and running;

thence West 399.55 feet;
thence North 0°03'50" East 309.55 feet;
thence West 153.69 feet;
thence North 36°27'30" East 200.82 feet;
thence North 0°03'50" East 52.64 feet to the Southeast Corner of a parcel in the ownership of the Utah Department of Transportation (UDOT).
thence North 0°03'50" East 80 feet along the east line to the Northeast Corner of said UDOT parcel;
thence North 89°56'12" West 811.80 feet along the north line of said UDOT parcel to the east line of 1250 West Street;
thence North 0°3'06" East 837.96 feet along the east line of 1250 West Street to the south line of Parrish Lane;
thence South 86°08'42" East 915.93 feet along the south line of Parrish Lane to an existing UDOT Right-of-Way Marker;
thence South 89°52'42" East 335.75 feet along the south line of Parrish Lane to the west line of a Union Pacific Railroad Right-of-Way;
thence South 0°12'50" West 1380.29 feet along the west line of a Union Pacific Railroad Right-of-Way to the point of beginning.

Contains 1,259,609 square feet. 28.917 acres.

ATTACHMENT NO. 3
INTERLOCAL AGREEMENTS

ATTACHMENT NO. 4
DESCRIPTION OF PUBLIC IMPROVEMENTS AND DEADLINES FOR
CONSTRUCTION AND INSTALLATION

In addition to the construction of the Improvements described on Attachment No. 1, Developer shall install and construct or cause to be installed and constructed each and every one of the improvements described or referred to in Section 31 a. items (1) through (11) of the Development Agreement (the "Public Improvements"). Developer shall complete the construction and installation of said Public Improvements by December 31, 2012.

ATTACHMENT NO. 5
DEVELOPMENT AGREEMENT

**AMENDMENT NO. 1 TO
AGREEMENT FOR DEVELOPMENT OF LAND (ADL)
BY AND BETWEEN THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, A
PUBLIC ENTITY, AND LEGACY CROSSING THEATRE, LLC, A UTAH LIMITED
LIABILITY COMPANY**

PARRISH-LEGACY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA
CENTERVILLE CITY, UTAH

THIS AMENDMENT NO. 1 TO AGREEMENT FOR DEVELOPMENT OF LAND ("Amendment No. 1") is made and entered into as of the 16 day of May, 2021, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a governmental entity organized under the laws of the State of Utah (the "Agency"), and **LEGACY CROSSING THEATRE, LLC**, a Utah limited liability company (the "Developer"). The Agency and Developer may be referred to in this Amendment No. 1 as a "Party" or collectively as the "Parties."

RECITALS

A. WHEREAS, the Parties previously entered into that certain Agreement for Development of Land dated September 21, 2010 ("Agreement for Development of Land"), regarding tax increment related to the development of the Legacy Crossing at Parrish Lane project located at the southeast corner of 1250 West and Parrish Lane in Centerville City, Davis County, State of Utah; and

B. WHEREAS, the Parties desire to amend the Agreement for Development of Land to address Developer's failure to meet annual performance criteria and to provide discretion for the Agency to allow distribution of tax increment under limited certain circumstances even if performance criteria are not met as more particularly described herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into this Amendment.

2. **Amendment to Section 2.2.** Section 2.2 of the Agreement for the Development of Land regarding "Developer's Failure to Meet the Conditions Precedent" is hereby amended and restated in its entirety as follows:

2.2 Developer's Failure to Meet the Conditions Precedent. Except as otherwise provided herein, in the event that the Developer fails to perform any term, covenant, or condition precedent described in Subparagraphs (A), (B), (C), and/or (D) of Section 2.1

during any Tax Increment Year, ~~then~~ the Agency shall have no obligation to pay the Developer the annual Tax Increment Subsidy available for such Tax Increment Year and the Tax Increment Subsidy amount available for such Tax Increment Year shall be retained by the Agency and used at its discretion. The Agency, in its sole discretion may make an exception to this provision to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020 due to COVID-19 related reductions in annual ticket sales or other required conditions precedent set forth in Section 2.1. The Developer shall be required to provide to the Agency sufficient written evidence of COVID-19 related reduction in annual ticket sales or other required conditions precedent. The Agency may grant such exception by motion and majority vote of Agency members.

3. **Amendment to Section 2.4.** Section 2.4 of the Agreement for the Development of Land regarding "Reduction of the Tax Increment Subsidy in Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements" is hereby amended and restated in its entirety as follows:

2.4 **Reduction of the Tax Increment Subsidy In Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements.**

(A) Except as otherwise provided herein, in ~~In~~ the event of a failure of the Developer to meet the conditions precedent or other eligibility requirements and this Agreement has not been terminated pursuant to Article 8, then the Tax Increment Subsidy shall be reduced as follows:

In any Tax Increment Year during the Tax Increment Subsidy Period in which the Developer has not met all of the conditions precedent or other requirements set forth in this Agreement for eligibility to receive the Tax Increment Subsidy payment(s), then the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that Tax Increment Year shall not be paid to the Developer and shall be retained by the Agency for other Agency purposes, and the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that year shall be subtracted from the applicable Not To Exceed Amount Of Tax Increment Subsidy to be paid to the Developer and the difference shall be the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy." For example, if the Developer had initially qualified for the maximum Not To Exceed Amount Of Tax Increment Subsidy of \$3,574,000, and if there would have been \$200,000 of Tax Increment money available to pay the Developer as the Tax Increment Subsidy payment for Tax Increment Year 2012, but the Developer was not eligible to receive payment of the Tax Increment Subsidy because the Developer had failed to meet one or more of the above conditions precedent, then the "Not To Exceed Amount Of Tax Increment Subsidy" would be reduced by subtracting the sum of \$200,000 (the amount of Tax Increment that would have been available to pay the Tax

Increment Subsidy) from the "Not To Exceed Amount Of Tax Increment Subsidy" of \$3,574,000, and the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy" shall be the sum of \$3,374,000 (i.e., \$3,574,000 - \$200,000 = \$3,374,000), which would be the new maximum "Not To Exceed Amount Of Tax Increment Subsidy" for purposes of this Agreement.

Each year during the Tax Increment Subsidy Period that the Developer is not eligible to receive the Tax Increment Subsidy and provided this Agreement has not been terminated pursuant to Article 8, the Tax Increment Subsidy shall not be paid to the Developer and, in addition, the "Not To Exceed Amount Of Tax Increment Subsidy" shall be reduced by subtracting the amount of Tax Increment that would have been available to pay the Tax Increment Subsidy from the "Not To Exceed Amount Of Tax Increment Subsidy" as originally determined, or as the amount may have been reduced pursuant to the provisions of this Subparagraph (A).

(B) The Agency shall have no obligation to pay to the Developer any amount of Tax Increment Subsidy in excess of the amended, reduced or adjusted "Not To Exceed Amount Of Tax Increment Subsidy".

~~(B)~~(C) In the event the Agency grants an exception to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020 due to COVID-19 related reductions in annual ticket sales or other required conditions precedent as more particularly set forth in Section 2.2, the provisions of Section 2.4 regarding reduction of the "Not to Exceed Amount of Tax Increment Subsidy" shall not apply to such portion of eligible annual Tax Increment Subsidy distributed to the Developer for the Tax Increment Year 2020. Any eligible Tax Increment Subsidy not distributed to Developer for the Tax Increment Year 2020 for failure to meet conditions precedent shall be subject to the provisions of Section 2.4.

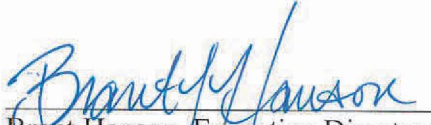
[SIGNATURE PAGES TO FOLLOW]

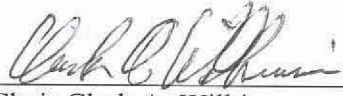
IN WITNESS HEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first above written.

“AGENCY”

ATTEST:

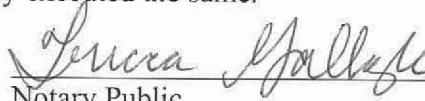
REDEVELOPMENT AGENCY OF
CENTERVILLE CITY


Brant Hanson, Executive Director

By: 
Chair Clark A. Wilkinson

STATE OF UTAH)
)
:SS
COUNTY OF DAVIS)

On the 3rd day of June, 2021, personally appeared before me Clark A. Wilkinson, who being duly sworn, did say that he is the Director of **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a governmental entity under the laws of the State of Utah, and that the foregoing instrument was signed on behalf of the Redevelopment Agency of Centerville City by authority of its Board of Directors and the undersigned acknowledged to me that the Agency executed the same.

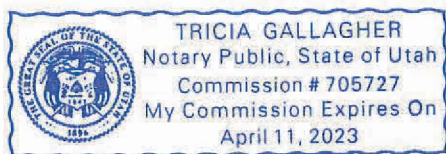

Notary Public

My Commission Expires:

April 11, 2023

Residing at:

Davis County, Utah



"DEVELOPER"

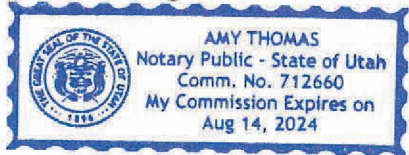
LEGACY CROSSING THEATERS, LLC

By: [Signature]

Its: Manager

STATE OF Utah)
COUNTY OF Davis) :ss

On the 27 day of May, 2021, personally appeared before me Kevin S. Gann, who being duly sworn, did say that (s)he is the Manager of **LEGACY CROSSING THEATERS, LLC**, and that the foregoing instrument was signed on behalf of said company by authority of its members and duly acknowledged to me that said company executed the same.



[Signature]
Notary Public

My Commission Expires:
8/14/2024

Residing at:
Davis County

**AMENDMENT NO. 2 TO
AGREEMENT FOR DEVELOPMENT OF LAND (ADL)
BY AND BETWEEN THE REDEVELOPMENT AGENCY OF CENTERVILLE CITY, A
PUBLIC ENTITY, AND LEGACY CROSSING THEATRE, LLC, A UTAH LIMITED
LIABILITY COMPANY**

PARRISH-LEGACY CROSSING COMMUNITY DEVELOPMENT PROJECT AREA
CENTERVILLE CITY, UTAH

THIS AMENDMENT NO. 2 TO AGREEMENT FOR DEVELOPMENT OF LAND ("Amendment No. 2") is made and entered into as of the 3rd day of May, 2022, by and between the **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a governmental entity organized under the laws of the State of Utah (the "Agency"), and **LEGACY CROSSING THEATRE, LLC**, a Utah limited liability company (the "Developer"). The Agency and Developer may be referred to in this Amendment No. 2 as a "Party" or collectively as the "Parties."

RECITALS

A. WHEREAS, the Parties previously entered into that certain Agreement for Development of Land dated September 21, 2010 ("Agreement for Development of Land"), regarding tax increment related to the development of the Legacy Crossing at Parrish Lane project located at the southeast corner of 1250 West and Parrish Lane in Centerville City, Davis County, State of Utah; and

B. WHEREAS, the Parties desire to amend the Agreement for Development of Land to address Developer's failure to meet annual performance criteria and to provide discretion for the Agency to allow distribution of tax increment under limited certain circumstances even if performance criteria are not met as more particularly described herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals.** The above Recitals are hereby incorporated into this Amendment.

2. **Amendment to Section 2.2.** Section 2.2 of the Agreement for the Development of Land regarding "Developer's Failure to Meet the Conditions Precedent" is hereby amended and restated in its entirety as follows:

2.2 **Developer's Failure to Meet the Conditions Precedent.** Except as otherwise provided herein, in the event the Developer fails to perform any term, covenant, or condition precedent described in Subparagraphs (A), (B), (C), and/or (D) of Section 2.1

during any Tax Increment Year, the Agency shall have no obligation to pay the Developer the annual Tax Increment Subsidy available for such Tax Increment Year and the Tax Increment Subsidy amount available for such Tax Increment Year shall be retained by the Agency and used at its discretion. The Agency, in its sole discretion may make an exception to this provision to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020 and/or 2021 due to COVID-19 related reductions in annual ticket sales or other required conditions precedent set forth in Section 2.1. The Developer shall be required to provide to the Agency sufficient written evidence of COVID-19 related reduction in annual ticket sales or other required conditions precedent. The Agency may grant such exception by motion and majority vote of Agency members.

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2.4 Reduction of the Tax Increment Subsidy In Years Where the Developer Fails to Satisfy the Conditions Precedent or Other Eligibility Requirements.

(A) Except as otherwise provided herein, in the event of a failure of the Developer to meet the conditions precedent or other eligibility requirements and this Agreement has not been terminated pursuant to Article 8, then the Tax Increment Subsidy shall be reduced as follows:

In any Tax Increment Year during the Tax Increment Subsidy Period in which the Developer has not met all of the conditions precedent or other requirements set forth in this Agreement for eligibility to receive the Tax Increment Subsidy payment(s), then the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that Tax Increment Year shall not be paid to the Developer and shall be retained by the Agency for other Agency purposes, and the amount of the Tax Increment Subsidy which would have been paid to the Developer as the Tax Increment Subsidy for that year shall be subtracted from the applicable Not To Exceed Amount Of Tax Increment Subsidy to be paid to the Developer and the difference shall be the new or reduced "Not To Exceed Amount Of Tax Increment Subsidy." For example, if the Developer had initially qualified for the maximum Not To Exceed Amount Of Tax Increment Subsidy of \$3,574,000, and if there would have been \$200,000 of Tax Increment money available to pay the Developer as the Tax Increment Subsidy payment for Tax Increment Year 2012, but the Developer was not eligible to receive payment of the Tax Increment Subsidy because the Developer had failed to meet one or more of the above conditions precedent, then the "Not To Exceed Amount Of Tax Increment Subsidy" would be reduced by subtracting the sum of \$200,000 (the amount of Tax Increment that would have been available to pay the Tax

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(B) The Agency shall have no obligation to pay to the Developer any amount of Tax Increment Subsidy in excess of the amended, reduced or adjusted "Not To Exceed Amount Of Tax Increment Subsidy".

(C) In the event the Agency grants an exception to allow for the distribution of some or all eligible annual Tax Increment Subsidy to the Developer for the Tax Increment Year 2020 and/or 2021 due to COVID-19 related reductions in annual ticket sales or other required conditions precedent as more particularly set forth in Section 2.2, the provisions of Section 2.4 regarding reduction of the "Not to Exceed Amount of Tax Increment Subsidy" shall not apply to such portion of eligible annual Tax Increment Subsidy distributed to the Developer for the Tax Increment Year 2020 and/or 2021. Any eligible Tax Increment Subsidy not distributed to Developer for the Tax Increment Year 2020 for failure to meet conditions precedent shall be subject to the provisions of Section 2.4.

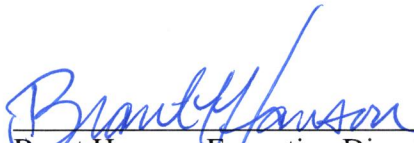
[SIGNATURE PAGES TO FOLLOW]

IN WITNESS HEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first above written.

“AGENCY”

ATTEST:

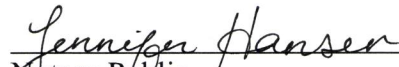
REDEVELOPMENT AGENCY OF
CENTERVILLE CITY


Brant Hanson, Executive Director

By: 
Chair Clark A. Wilkinson

STATE OF UTAH)
 :ss
COUNTY OF DAVIS)

On the 10th day of May, 20 22, personally appeared before me Clark A. Wilkinson, who being duly sworn, did say that he is the Director of **REDEVELOPMENT AGENCY OF CENTERVILLE CITY**, a governmental entity under the laws of the State of Utah, and that the foregoing instrument was signed on behalf of the Redevelopment Agency of Centerville City by authority of its Board of Directors and the undersigned acknowledged to me that the Agency executed the same.


Notary Public

My Commission Expires:

May 27, 2025

Residing at:

Davis County



"DEVELOPER"

LEGACY CROSSING THEATERS, LLC

By: Danny C Bridenstine

Its: Member

STATE OF Utah)
)
COUNTY OF Davis)
)
:ss

On the 6th day of May, 2022, personally appeared before me Danny C. Bridenstine, who being duly sworn, did say that (s)he is the Member of **LEGACY CROSSING THEATERS, LLC**, and that the foregoing instrument was signed on behalf of said company by authority of its members and duly acknowledged to me that said company executed the same.

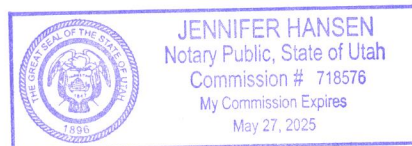
Jennifer Hansen
Notary Public

My Commission Expires:

May 27, 2025

Residing at:

Davis County





REDEVELOPMENT AGENCY

Staff Report
6/6/2023

Item No. 1.

Title: Minutes Review and Approval

Initiated By:

Staff Representative:

SUBJECT:

May 16, 2023 RDA Minutes

RECOMMENDATION:

BACKGROUND:

ATTACHMENTS:

1. 5-16-23 RDA minutes

Minutes of the **Redevelopment Agency of Centerville** meeting held Tuesday, May 16, 2023 at 5:30 p.m. with participants present at Centerville City Hall, 250 North Main Street.

DIRECTORS PRESENT

Gina Hirst
George McEwan
Robyn Mecham
Spencer Summerhays
Clark Wilkinson, Chair

DIRECTOR ABSENT

William Ince

STAFF PRESENT

Brant Hanson, RDA Executive Director
Lisa Romney, City Attorney
Jennifer Robison, City Recorder
Cory Snyder, Community Development Director
Dave Walker, Deputy Public Works Director
Bryce King, Community Services Manager
Nate Plaizier, Finance Director
Mike Carlson, Public Works Director

VISITOR

Dan Bridenstine, US Development

LEGACY CROSSING THEATRE LLC – REQUEST TO AMEND AGREEMENT

Finance Director Nate Plaizier reported the Megaplex Theatre did not meet the minimum requirement of 500,000 theater tickets sold in 2022 (421,639) to be eligible to receive a tax increment payment per the agreement entered into by the RDA and Legacy Crossing Theatre, LLC in September 2010. The RDA approved amendments to the agreement when the number of tickets sold did not meet the minimum in 2020 and 2021, allowing remittance of tax increment due to the pandemic. Mr. Plaizier said Legacy Crossing Theatre, LLC was requesting the tax increment payment (\$220,365.50) for tax year 2022.

Dan Bridenstine with US Development said he believed the Megaplex Theatre had been a great community asset. He showed annual ticket sales for 2012 – 2022, and spoke of continued pandemic-related struggles in the movie industry. Mr. Bridenstine said he anticipated a stronger market in 2023, and stated Legacy Crossing Theatre, LLC had followed through on all other agreement responsibilities.

Councilmember Summerhays asked if the number of seats at the Megaplex had changed since opening, and questioned if number of tickets sold was still the correct metric. Mr. Bridenstine said the seat count may have reduced when a number of rows were removed to install higher-priced luxury seats in some of the auditoriums. The Directors and Mr. Bridenstine discussed trends and changes in the movie industry since the 2010 agreement, including the number of streaming services available.

Director Hirst expressed support for giving the Megaplex one more year with an amendment to the agreement to see what would happen. Responding to a question from Director Mecham, City Attorney Lisa Romney said she did not remember specifically why the number of tickets sold was chosen as a metric in 2010, but said it was important in a tax increment agreement to incentivize a successful project. Director Mecham said she was sympathetic and agreed with Director Hirst, and said she would want to wait another year to see what happened before moving away from the 500,000-ticket metric.

1 RDA Executive Director Brant Hanson commented that the infrastructure required in the
2 2010 agreement was installed at great cost to the developer. He recommended waiting another
3 year before looking at changing the metric.
4

5 Director Summerhays made a **motion** to direct staff to prepare Amendment No. 3 to
6 extend the waiver another year. Director Mecham seconded the motion, which passed by
7 unanimous vote (4-0).
8

9 **MINUTES REVIEW AND APPROVAL**

10
11 Minutes of the May 2, 2023 RDA meeting were reviewed. Director Summerhays **moved**
12 to approve the minutes. Director Mecham seconded the motion, which passed by unanimous vote
13 (4-0).
14

15 **ADJOURNMENT**

16
17 At 6:13 p.m., Director McEwan **moved** to adjourn the RDA Meeting. Director Summerhays
18 seconded the motion, which passed by unanimous vote (4-0).
19
20
21
22

23 _____
Brant T. Hanson, RDA Executive Director

Date Approved