

AGREEMENT SUPPLEMENTING SILVER CREEK  
COMMERCE CENTER AGREEMENT

This Agreement (the "Agreement") is entered into as of the 1st day of November, 1988 by and between the Redevelopment Agency of Summit County, Utah (the "RDA"), a redevelopment agency organized and existing pursuant to the provisions of the Utah Neighborhood Development Act, Title 11, Chapter 19, Utah Code Annotated 1953, as amended (the "Act") and Lucas Western Inc., a Delaware corporation, (the "Company").

WHEREAS, in order to induce the Company to locate a manufacturing facility (the "Project") in Summit County, Utah (the "County"), the County delivered to the Company a letter dated January 8, 1988 in which the County, among other things, agreed to take those actions which are within its powers to create the RDA and that the RDA would agree to pay to the Company, a percentage of certain taxes to be paid each year for 20 years with respect to the 10 Acre site upon which the Project is to be built (described on Exhibit A attached hereto, the "Project Site") which may be allocated to the RDA under the provisions of the Act, as described herein; and

WHEREAS, Silver Creek Investors, Summit County Municipal Building Authority, the RDA, the County, and the Company have entered into the Silver Creek Commerce Center Agreement dated June 8, 1988 (the "Commerce Center Agreement"); and

WHEREAS, the RDA acknowledges and agrees that the Company has received inducements from other communities, within and outside the State of Utah, to locate the Project in such communities, and that the location of the Project in the County will create employment within the County, will assist in the redevelopment of the Project Area (hereinafter defined) and will otherwise be of significant benefit to the RDA and the County; and

WHEREAS, the RDA and the Company agree that the amounts to be paid by the RDA to the Company are to reimburse the Company for a portion of the capital expenditures to be made by the Company with respect to the Project and the Project Site in order to make the cost of locating the Project at the Project Site comparable with the costs of locating in other areas; and

WHEREAS, the parties hereto agree that any obligation of the RDA hereunder is a special limited

obligation payable solely from the sources described herein and that the general credit and taxing powers of the County are not in any way pledged for the payment of the RDA's obligations hereunder.

NOW, THEREFORE, IN ORDER TO INDUCE THE COMPANY TO LOCATE THE PROJECT IN THE COUNTY AND IN CONSIDERATION OF THE PREMISES AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Covenants of RDA. The RDA hereby covenants to and agrees with the Company as follows: (a) the RDA has duly approved a redevelopment plan dated August 31, 1988 (the "Redevelopment Plan"), a true and complete copy of which is attached hereto as Exhibit B and hereby made a part hereof, (b) the Redevelopment Plan was duly approved and adopted for the "Project Area" (defined in the Redevelopment Plan) by Ordinance No. 179 (the "Ordinance") of the Board of Commissioners of the County on September 7, 1988, (c) the Project Area is a project area within the meaning of Section 11-19-9 of the Act and the Project Area includes the Project Site, (d) the Redevelopment Plan is in full force and effect on the date hereof in the form of Exhibit B attached hereto, (e) the obligations of the RDA hereunder are an indebtedness incurred by the RDA to finance a redevelopment project within the meaning of Section 11-19-29(d) of the Act, (f) this Agreement and the obligations of the RDA hereunder constitute a "bond" of the RDA within the meaning of and for all purposes of the Act, (g) within the meaning of Section 11-19-9.5 of the Act, the taxable value of the Project Area, when added to the total taxable value as shown on the last equalized assessment roll certified by the Assessor of the County for other redevelopment project areas of the County for which an allocation of ad valorem taxes is provided under the Act, did not exceed a figure at the time of the adoption of the Redevelopment Plan equal to 15% of the taxable value of the locally assessed property within the unincorporated area of the County, (h) within the meaning of Section 11-19-9.5 of the Act, the Project Area does not (and did not at the time of the adoption of the Redevelopment Plan) exceed 100 acres of privately owned property, and (i) the Redevelopment Plan will not be amended in a manner which would adversely affect the rights or remedies of the Company under this Agreement without the prior written consent of the Company.

Section 2. Tax Increment Revenues. As provided in the Redevelopment Plan and pursuant to Section 11-19-29 of the Act, taxes levied upon taxable property within the

Project Site each year by or for the benefit of the State of Utah, any city, county, city and county, district or other public corporation (the "Taxing Agencies") after the effective date of the ordinance shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of the Taxing Agencies upon the total sum of the taxable value of the taxable property within the Project Site as shown upon the assessment roll for the 1988 tax year (the last equalized assessment roll prior to the effective date of the Ordinance) used in connection with the taxation of such property by such Taxing Agencies (as adjusted pursuant to Sections 11-19-29.4 through 11-19-29.6 of the Act), shall be allocated to, and when collected paid to, the respective Taxing Agencies; and

(b) That portion of such levied taxes each year in excess of the amount described in (a) above (such excess is referred to herein and the "Incremental Taxes"), as adjusted pursuant to the provisions of Section 11-19-29(1)(f) of the Act, shall be allocated to, and when collected shall be paid to the RDA, and the Applicable Percentage (defined in Section 3 hereof) of the Incremental Taxes shall be paid by the RDA to the Company for each of the years 1989 through 2008, inclusive (the Applicable Percentage shall be applied to the amount of Incremental Taxes without regard for the adjustment provided for in Section 11-19-29(1)(f)); and

(c) Remaining taxes, if any, will be available to pay other indebtedness of the RDA or will be allocated and paid to the Taxing Agencies.

The foregoing provisions of this Section 2 are derived from the provisions of Section 11-19-29 of the Act and shall be interpreted in accordance with said Section 11-19-29 of the Act. Payments of Incremental Taxes to the RDA shall be subject to and shall except uncollected or delinquent taxes in the same manner as payments of taxes to the Taxing Agencies are subject to collection. Adjustments of base year assessed valuations may be made in accordance with the provisions of Sections 11-19-29.4 through 11-19-29.6 of the Act. Notwithstanding any other provision hereof to the contrary, the application of the Applicable Percentage to the Incremental Taxes without regard for the adjustment provided for in Section 11-19-29(1)(f) of the Act as described in Section 2(b) and Section 3 hereof, is solely for purposes of calculating the amount due hereunder and the parties hereto expressly agree that no provision hereof shall be construed as obligating the Agency to pay any

amounts in excess of the Incremental Taxes as reduced by the adjustment provided for in Section 11-19-29(1)(f) of the Act.

The RDA hereby covenants and agrees to collect (and at its own expense to take all actions reasonably necessary to enforce its right to collect) the Incremental Taxes (as adjusted pursuant to the provisions of Section 11-19-29(1)(f) of the Act) for each of the years 1989 through 2008. The RDA covenants to promptly pay the amount described in subparagraph (b) above by its own check or draft in lawful money of the United States of America which is legal tender for the payment of public or private debts, to the Company, upon receipt of such amount, and to deliver with each such payment a certificate by the Executive Director of the Agency setting forth in detail how the amount paid to the Company was calculated.

Section 3. Applicable Percentage. For purposes of Section 2(b) hereof, the "Applicable Percentage" to be applied to the full amount of the Incremental Taxes (without making the adjustment to the Incremental Taxes provided for in Section 11-19-29-(1)(f) of the Act) for each of the following years shall be as follows:

<u>YEAR</u>	<u>APPLICABLE PERCENTAGE</u>	<u>YEAR</u>	<u>APPLICABLE PERCENTAGE</u>
1989	100	1999	20
1990	100	2000	20
1991	100	2001	20
1992	90	2002	20
1993	80	2003	20
1994	70	2004	20
1995	60	2005	20
1996	50	2006	20
1997	40	2007	20
1998	30	2008	20

Section 4. Payments Authorized under Act. The RDA hereby covenants and agrees that it is empowered, authorized, and entitled under the Act to receive the Applicable Percentage of the Incremental Taxes and make the payments to the Company as provided in Section 2(b) hereof.

Section 5. Agreement of the Company. The Company agrees to locate the Project at the Project Site in accordance with, and subject to the terms and provisions set forth in, the Loan Agreement dated as of July 1, 1988

between the County and the Company. In addition, the Company agrees to pay for each year beginning in 1989 through 1993, inclusive, directly to the Park City School District or its designee the lesser of (i) the amount paid to the Company under Section 2(b) above and (ii) the lesser of (a) the amount of the voted leeway tax for such year lawfully levied by the Park City School District upon the taxable property within the Project Site, or (b) the maximum amount of voted leeway tax for such year that could have been lawfully levied by the Park City School District upon the taxable property within the Project Site under the statutes of the State of Utah with respect thereto as in effect on the date hereof; provided that any other term or provision hereof to the contrary notwithstanding, the obligations of the Company to make payments hereunder shall be limited to the payment of money actually received by the Company from the RDA pursuant to Section 2(b) hereof.

Section 6. Limited Obligation. The obligations of the RDA hereunder are special limited obligations of the RDA secured by the Incremental Taxes (as reduced by the adjustments provided for in Section 11-19-29(1)(f) of the Act) and are payable solely from said Incremental Taxes, collected and allocated to the Agency. This Agreement is not a general obligation or debt of the County, the State of Utah, or any of its political subdivisions, neither the County, the State of Utah, nor any of its political subdivisions are liable for any obligation hereunder, nor in any event shall the obligations hereunder give rise to a general obligation or liability of the County, the State of Utah, or any of its political subdivisions, or a charge against their general credit or taxing powers, or be payable out of any funds or properties other than those of the RDA pledged hereunder. Such obligations do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

Section 7. RDA Confers Rights. The RDA hereby confers upon the Company all of the rights set forth in Section 11-19-27(1) of the Act as in effect on the date hereof, and said Section 11-19-27(1) as in effect on the date hereof is hereby made a part hereof.

Section 8. Agreement issued in connection with Project. Pursuant to and within the meaning of Section 11-19-23.7 of the Act the RDA hereby recites that this Agreement has been issued by the RDA in connection with an area redevelopment project comprised of the Project.

Section 9. Taxes Irrevocably Pledged. Pursuant to and within the meaning of Section 11-19-30 of the Act the portion of the taxes referred to in Section 2(b) hereof is hereby irrevocably pledged for the payment of the obligations of the RDA hereunder to the Company.

Section 10. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one Agreement and any party may execute this Agreement by signing a counterpart.

Section 11. Severability. If any covenant, agreement or provision, or portion thereof, contained in this Agreement is held to be unconstitutional, invalid or unenforceable, the remainder of this Agreement shall be deemed severable and shall not be affected, and this Agreement shall remain valid.

Section 12. Governing Law. This Agreement shall be governed exclusively by the applicable laws of the State of Utah.

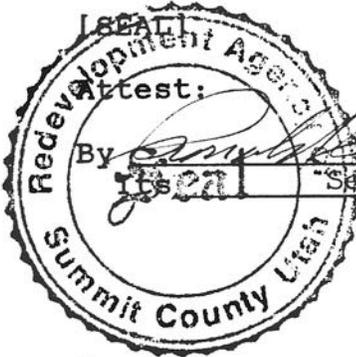
Section 13. Captions. The captions in this Agreement are for convenience only and do not define or limit the scope or the intent of any of the provisions or Sections of this Agreement.

Section 14. Notice. It shall be sufficient service of any notice, request, complaint, demand or other paper on the RDA if the same shall be duly mailed by registered or certified mail, addressed to it at P.O. Box 128, Coalville, Utah 84017, Attention: Executive Director, or to such address as the RDA may from time to time file with the Company. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Company if the same shall be duly mailed by registered or certified mail, addressed to it at 14724 East Proctor Avenue, City of Industry, California 91749-1040, Attention: Vice President, or to such address as the Company may from time to time file with the RDA.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the 1st day of November, 1988.

REDEVELOPMENT AGENCY OF  
SUMMIT COUNTY, UTAH

By *James R. Acker*  
Its Chairman



Attest:  
By *[Signature]*  
Its Secretary

[SEAL]

LUCAS WESTERN INC.

By *Mark Hamilton*  
Its Vice President

Attest:

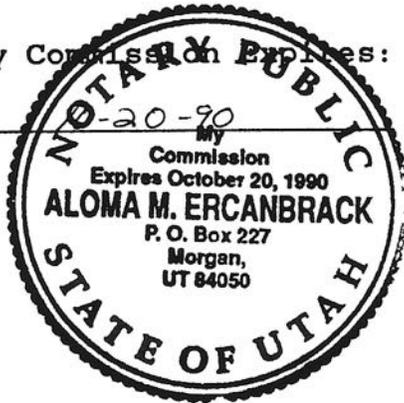
By *[Signature]*  
Its Secretary/Treasurer

STATE OF UTAH )

COUNTY OF Summit )

On the 1st day of November, 1988, personally appeared before me James N. Soter and Ronald R. Robinson who being by me duly sworn, did say that they are the Chairman and Secretary, respectively, of the Redevelopment Agency of Summit County, and that the foregoing Agreement was signed on behalf of said Agency by authority of a resolution of said Agency, and said officers acknowledged to me that said Agency executed the same.

My Commission Expires:



Aloma M. Ercanbrack  
Notary Public

Residing at: Morgan, UT

STATE OF UTAH CALIF )

COUNTY OF LA )

On the 25<sup>th</sup> day of JANUARY, 1988, personally appeared before me MACK HAMILTON and GLEN BROWN, who being by me duly sworn, did say that they are the VP/GEN MGR and SECTY/TREAS, respectively, of the Lucas Western Inc., and that the foregoing Agreement was signed on behalf of said Company by authority of a resolution of said Company, and said officers acknowledged to me that said Company executed the same.

My Commission Expires:

2/23/90

Barbara Floyd  
Notary Public

Residing at Industry, CA

