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**RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:**

Redevelopment Agency of Salt Lake City  
Attn: Executive Director  
451 South State Street, #418  
P.O. Box 145518  
Salt Lake City, Utah 84114-5518

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GARY W. OTT  
RECORDER, SALT LAKE COUNTY, UTAH  
METRO NATIONAL TITLE  
345 E BROADWAY  
SLC UT 84111  
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MNT 18589

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**DEVELOPMENT AGREEMENT**

between

**REDEVELOPMENT AGENCY OF SALT LAKE CITY**

and

**TANNACH PROPERTIES, L.L.C.**

28-19

## DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made and entered into as of the 11 day of April, 2012 by and between the Redevelopment Agency of Salt Lake City, a public agency ("Agency"), and Tannach Properties, L.L.C., a Utah limited liability company ("Developer"), both of whom are collectively referred to herein as the "Parties", and individually as a "Party."

WHEREAS, Agency and Developer entered into that certain Purchase and Sale Agreement dated as of July 27, 2010 (as amended, the "Purchase Agreement"), pursuant to which Agency agreed to sell, and Developer agreed to purchase, on the terms and conditions contained therein, certain property located on the east side of State Street between Second and Third South in Salt Lake City, Utah (as more particularly defined below, the "Property");

WHEREAS, Developer agreed in the Purchase Agreement that, in the event of a closing thereunder, it would construct certain improvements on the Property (as more particularly defined below, the "Developer Improvements") in accordance with the terms of a development agreement in the form hereof; and

WHEREAS, Developer has purchased the Property on the date hereof and, in connection with the closing of such purchase, the Parties desired to enter into this Agreement;

NOW, THEREFORE, the Parties agree as follows:

### ARTICLE 1 Definitions

As used herein, the following terms shall have the meanings respectively indicated:

**"Affordable Housing Agreements"** shall mean (1) Tax Regulatory Agreement dated as of April 1, 2012 among Utah Housing Corporation, U.S. Bank National Association, as Trustee, and Developer, (2) Low-Income Housing Credit Commitment Agreement and Declaration of Restrictive Covenants dated as of January 18, 2012 between Utah Housing Corporation and Developer, and (3) Housing Rent Restriction Agreement of event dated herewith between Agency and Developer.

**"Agency"** means the Redevelopment Agency of Salt Lake City, a public agency, and includes any successor designated by Agency or succeeding to Agency.

**"Architect"** means LaPorte Construction, Inc., Architectural Division, the Utah licensed architect hired by Developer to perform design and architectural services in connection with the Developer Improvements.

**"Architect Contract"** means collectively those two Standard Form of Agreements between Owner and Architect (AIA Document B1431-1997) between Developer and Architect one dated as of May 11, 2011 and one dated as of April 9, 2012.

**"City"** means Salt Lake City Corporation, a municipal corporation.

**“Contractor”** means LaPorte Construction, Inc., the Utah licensed contractor hired by Developer to construct the Developer Improvements.

**“Construction Contract”** means collectively those three Standard Form of Agreements (AIA Form A-107) each dated April 2, 2012 between Developer and Contractor pursuant to which Contractor has agreed to construct the Developer Improvements, as amended.

**“Construction Financing Documents”** means all of the documents evidencing and securing the financing for the Project provided pursuant to the Bond Mortgage Loan Documents, the Construction Loan Agreement and the Construction Loan Documents (as such terms are defined the that certain Trust Indenture between Utah Housing Corporation as Issuer and U.S. Bank National Association, as Trustee, relating to \$19,055,000 Utah Housing Corporation Mortgage Revenue Bonds (State Street Plaza Project) Series 2012, dated as of April 1, 2012) and the Subordinate Loan Documents (as such term is defined in the Construction Loan Agreement).

**“Deed and Reverter Agreement”** means that certain Special Warranty Deed and Right of Reverter Agreement recorded in Salt Lake County Official Records on the date hereof pursuant to which Agency conveyed the Property to Developer subject to the covenants and conditions contained therein.

**“Developer Improvements”** means the improvements to be constructed on the Property by Developer as described in Exhibit B attached hereto and as shown on the Site Plan.

**“Events of Force Majeure”** means any event or period of delay preventing the performance of Developer’s obligations, which delay is caused by strikes, lock-outs, fire or other casualty, inclement weather abnormal for the period of time and not reasonably anticipatable, the elements or acts of God, war, riot, insurrections or shortages of or unusual delays in the delivery of construction materials (which have been ordered in a timely manner) or other causes, other than financial and managerial, beyond the reasonable control of Developer or the Contractor, or their subcontractors of any tier, agents, or employees.

**“Final Construction Documents”** means the final construction documents for the Developer Improvements, prepared by the Architect and dated March 28, 2012, which were approved by Agency pursuant to the Purchase Agreement. A copy of the index sheet of the Final Construction Documents is attached hereto as Exhibit E.

**“Major Subcontractor”** means any subcontract for labor or materials, or both, in connection with the Improvements which (a) is for an aggregate contract price equal to or greater than \$250,000, whether pursuant to one contract or agreement or multiple contracts or agreements, after taking into account all change orders, or (b) is for any of the following trades: excavation, concrete (foundation and platform (precast)), masonry, structural steel, interior framing and drywall, stucco, elevator, mechanical, plumbing, electrical, fire sprinklers and solar.

**“Material Change”** means (i) with respect to any portion of commercial improvements, an increase or decrease in the square footage of such portion of commercial improvements by more than five percent (5%), (ii) with respect to any type of housing units, an increase or decrease in the number of such type of housing units by more than five percent (5%), (iii) with respect to parking spaces, an increase or decrease in the number of parking spaces by more than

five percent (5%), (iv) with respect to any other element of the Developer Improvements, a reduction in the size of such element by more than five percent (5%), (v) with respect to any element of the Developer Improvements, a substitution of any materials or a change in design from that specified in the Final Construction Documents that has a lower cost, (vi) any change that would prevent the Architect from issuing the LEED Certificate as required by Section 3.5 of this Agreement, or (vii) any other change in the Final Construction Documents, other than a change that the Executive Director of the Agency agrees in writing is an insignificant change.

**“Property”** means the real property upon which the Developer Improvements are to be constructed as more particularly described on Exhibit A attached hereto.

**“Punchlist Items”** means items which are qualitatively minor and which do not materially impair a tenant’s ability to use the Developer Improvements for their intended purpose or materially impair a tenant’s ability to occupy the Developer Improvements.

**“Records”** shall have the meaning set forth in Section 3.11 below.

**“Schedule of Development”** means the respective times for the completion of the construction of the Developer Improvements set forth in Exhibit D attached hereto.

**“Site Plan”** means the site plan attached hereto as Exhibit C which generally depicts the Property and the configuration of the Developer Improvements.

## **ARTICLE 2**

### Requirements for the Development of the Property

2.1 Insurance, Building Permits and Bonds. Prior to commencing any construction activities on the Property or adjacent property or any construction staging area, Developer shall (or Developer shall cause the Contractor to) deliver to Agency the following:

(a) certificates of insurance verifying that the insurance required under Sections 2.2, 2.3 and 2.4 has been obtained.

(b) copies of all permits, including without limitation building permits, which are required by the City or any other governmental agency having jurisdiction over the construction of the Developer Improvements.

(c) a performance bond and a payment bond from each Major Subcontractor, naming the Major Subcontractor as principal and the Contractor, Agency, and Developer as dual obligees, jointly and severally, written on bond forms, approved by Agency and Developer in a penal amount of not less than the full amount of the contract price for the construction of the Developer Improvements, together with (i) a certified and current copy of the power of attorney for the attorney-in-fact who executes the bonds on behalf of the surety and (ii) evidence that the penal sum shall be within the maximum specified for such surety; provided, however, that in the event that that the Construction Financing Documents require payment and performance bonds and the requirements for such bonds are reasonably acceptable to Agency, Agency will accept such bonds to satisfy the requirements of this Agreement.

2.2 Property Insurance. Developer shall maintain property insurance in the amount of the contract price for construction of the Developer Improvements (including any increase in price based on change orders) on a replacement cost basis without voluntary deductibles in excess of \$50,000. Such property insurance shall be maintained, unless otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made to the Contractor for the construction of the Developer Improvements. Agency shall be named as an additional named insured of such insurance policy. Such insurance shall include the interests of Agency, Developer, Contractor and any subcontractors and sub-subcontractors in the work. Such property insurance shall be on an all-risk policy form and shall insure against the perils of fire and extended coverage and physical loss or damage including, without duplication of coverage, flood, earthquake, theft, vandalism, malicious mischief, collapse, false work, temporary buildings and debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for the Architect's services and expenses required as a result of such insured loss. Developer shall also maintain Boiler and Machinery Insurance which shall specifically cover such insured objects during installation until final acceptance by Developer. Agency shall be named as an additional named insured of such insurance policy. Such insurance shall include the interests of Agency, Developer, the Contractor, subcontractors and sub-subcontractors in the work.

2.3 Contractor's Insurance. Developer shall cause the Contractor to maintain insurance with at least the following minimum insurance coverages:

- (a) Workers' compensation insurance in the amount of the statutory limit;
- (b) Employers' liability insurance in an amount not less than \$1,000,000; and
- (c) The Contractor's Comprehensive Automobile Liability Insurance, including coverages of owned, non-owned and hired vehicles, shall be written with combined single limits (including personal injury liability, bodily injury liability, and property damage liability) of not less than \$3,000,000 per each occurrence during the policy year.

(d) The Contractor's General Liability Insurance shall be written on a Commercial General Liability coverage form, which coverages shall include Independent Contractor's Liability coverage, Blanket Contractual Liability Endorsement, premise and operation coverage, Broad Form Property Damages Endorsement, explosion, collapse and underground hazard coverage, fire legal liability coverage, Product-Completed Operations coverage (which shall be kept in effect for two years after the completion of the Developer Improvements) and Personal Advertising Injury Coverage. The coverage limits shall be not less than the following:

- (i) Each Occurrence limit - \$3,000,000
- (ii) General Aggregate - \$3,000,000
- (iii) Product/Completed Operations Aggregate - \$3,000,000
- (iv) Personal and Advertising Injury Limit - \$3,000,000

Developer and Agency shall be additional named insureds on the Contractor's General Liability Insurance and Comprehensive Automobile Liability Insurance. The Contractor's General Liability Insurance and Comprehensive Automobile Liability Insurance shall be provided on an "occurrence" form and not on a "claims made" form.

2.4 Architect's Insurance. Developer shall cause the Architect to continuously maintain during the course of its performance of professional services, insurance as follows:

(a) General Liability Insurance written on an occurrence basis with per claim and aggregate annual limits of liability of not less than \$1,000,000 and with a deductible or self-insured retention of not greater than \$10,000; and

(b) Professional liability insurance with per claim and aggregate annual limits of liability of not less than \$2,000,000 and with a deductible or self-insured retention of not greater than Fifty Thousand Dollars (\$50,000).

The Professional Liability Insurance shall be maintained without interruption for a period of two (2) years after the date of the completion of the Developer Improvements. Developer and Agency shall be additional named insureds on Architect's General Liability Insurance.

2.5 Insurance Requirements Generally. Each insurance policy and bond required hereunder must be issued by a company lawfully authorized to do business in the State of Utah rated A- or better with a financial size category of class VIII or larger by A.M. Best Company and, in the case of the bonds, from a surety holding a certificate of authority as an acceptable surety on federal bonds as listed by the United States Department of Treasury (Circular 570, as amended) in its most recent list at the time of issuance of the applicable bond. Developer shall, and shall obtain the agreement of Contractor and Architect to, permit Agency, upon request, to examine the original insurance policies required hereby along with any endorsements thereto. In the event the aggregate annual limits of any insurance policies required in Sections 2.3 and 2.4 above are depleted below the aggregate annual limits required set forth therein because of payment of claims, defense costs or any other reason, Developer shall require that the Contractor or Architect, as the case may be, purchase such additional insurance coverage as is necessary to cause such insurance policy(ies) to achieve the aggregate annual limits of liability required in Sections 2.3 and 2.4 above. Developer shall provide in its contracts with the Contractor and Architect that if the Contractor or Architect at any time neglects or refuses to provide the insurance required herein, or should such insurance be canceled, Developer shall have the right, but not the obligation, to procure the same at the cost and expense of the Contractor and Architect, and the cost thereof may be deducted by Developer from any monies then due or thereafter to become due to the Contractor and the Architect. Developer shall promptly exercise its rights under such contracts. Developer shall bear all costs, expenses, and damages incurred by Agency arising from such failure to purchase and maintain insurance required by this Agreement.

2.6 Major Subcontractors. Within ninety (90) days of the date hereof, Developer shall deliver to Agency (a) a copy of the subcontract with each of the steel, concrete, plumbing, electrical, and mechanical subcontractors, with a fixed price under such subcontract within the budget contemplated by the Construction Financing Documents, (b) an assignment of each such

subcontract by Developer to Agency, in form and substance reasonably satisfactory to Agency, together with a consent from the subcontractor, and (c) if any of such subcontractors is a Major Subcontractor, a payment and performance bond from such Major Subcontractor in the form specified in Section 2.1(c) above. Within one hundred fifty (150) days of the date hereof, Developer shall deliver to Agency the items in subsections (a), (b), and (c) above with respect to all other Major Subcontractors; provided, however, that in the event that under the Construction Financing Documents payment and performance bonds are not required with respect to any such subcontract(s), Agency agrees to waive the requirement for bonds for such subcontract(s).

### ARTICLE 3

#### Agreements to Develop the Property

3.1 Developer Obligation. Developer agrees to cause the Property to be developed in accordance with the terms and provisions set forth in this Agreement.

3.2 Construction of Developer Improvements. Within three business days of the date hereof, Developer shall commence and thereafter diligently prosecute to completion the construction of the Developer Improvements in accordance with this Agreement. By the time set forth in the Schedule of Development, Developer shall substantially complete the Developer Improvements in accordance with the Final Construction Documents and the requirements of all governmental authorities and fire underwriters, except for "Punchlist Items." Developer shall have an additional ninety (90) days to complete the Punchlist Items.

3.3 Cost of Construction of Developer Improvements. The cost of asbestos abatement and demolition and developing, and constructing the Developer Improvements and all other costs shall be borne solely by Developer.

3.4 Change Orders for Final Construction Documents. Agency's written approval of each change order to the Construction Contract involving a change to the Final Construction Documents is required. The Developer shall provide Agency with copies of any proposed change order to the Construction Contract. Agency shall have three business days to review any such proposed change order. If the proposed change order does not involve a Material Change to the Final Construction Documents, then Agency shall not unreasonably withhold its approval. If the proposed change order involves a Material Change to the Final Construction Documents, then Agency give or withhold its approval in Agency's sole discretion.

3.5 Certificate of Completion. After completion of all construction and development of the Developer Improvements, Developer shall provide a certificate to Agency to that effect signed by Developer and the Architect, and Developer shall provide a certificate (the "LEED Certificate") from the Architect certifying that the construction of the Developer Improvements is consistent with the design elements required to achieve the "certified" level according to the LEED standards established by the U.S. Green Building Council (official certification will not be required). Upon written request by Developer and if Agency finds that the certificates are in order, Agency shall furnish Developer a certificate of completion ("Certificate of Completion") within twenty (20) days after a written request from Developer. The Certificate of Completion shall be a preliminary determination of satisfactory completion of Developer's obligations

required by this Agreement with respect to the Developer Improvements and the Certificate of Completion shall so state. Notwithstanding any issuance of a Certificate of Completion, the duty of Developer to construct the Developer Improvements in accordance with the Final Construction Documents shall survive the issuance of a Certificate of Completion and causes of action related to the Developer Improvements shall be limited solely by the applicable statute of limitations; provided, however, that Agency agrees that it may not exercise the right of reverter in the Deed and Reverter Agreement after the date on which the Certificate of Completion is issued. A Certificate of Completion shall be in recordable form and may, at the option of Developer, be recorded in the Recorder's Office of Salt Lake County, and upon such recordation of the Certificate of Completion, this Agreement shall be terminated of record. If Agency refuses or fails to furnish a Certificate of Completion for the Developer Improvements within twenty (20) days after a written request from Developer, Agency shall, within five (5) days of written request therefor, provide Developer with a written statement of the reasons Agency refused or failed to furnish a Certificate of Completion. The statement shall also contain Agency's opinion of the actions Developer must take to obtain a Certificate of Completion. Agency shall not refuse to furnish the Certificate of Completion if Developer has completed all construction and development of the Developer Improvements in accordance with the Development Agreement. A Certificate of Completion shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any holder of any mortgage, or any insurer of a mortgage securing money loaned to finance the Developer Improvements, or any part thereof.

3.6 Rights of Access. For the purpose of assuring compliance with this Agreement, so long as they comply with all safety rules of Developer and its Contractor, including signing a standard construction area release, representatives of Agency shall have the right of access to the Property without charges or fees, during the period of construction for the purposes of this Agreement, including, but not limited to, the inspection of the work being performed in constructing the Developer Improvements. In addition, Agency shall have the right to enter the Property (and the improvements thereon) or any part thereof at all reasonable times for the purpose of exercising Agency's remedies, including cure rights contained in this Agreement and for the construction, reconstruction, maintenance, repair or service of any public improvements or public facilities located on the Property.

3.7 Local, State and Federal Laws. Developer shall carry out the construction of the Developer Improvements in compliance with all applicable federal, state, county, municipal and other local laws, regulations, codes and ordinances, licenses, permits, and orders. Developer represents that it has registered with and is participating in the Status Verification System under the Utah Identity Documents and Verification Act (Utah Code Title 63G, Chapter 11), to verify the work eligibility status of Developer's new employees that are employed in Utah. In addition, Developer represents that the each contractor or subcontractor who is working under or for Developer (including without limitation the Contractor) has certified to Developer by affidavit that such contractor or subcontractor has verified through the Status Verification System the employment status of each new employee of such respective contractor or subcontractor.

3.8 Antidiscrimination During Construction. Developer, for itself and agrees that in the construction of the Developer Improvements, its Contractor, subcontractors, sub-subcontractors, Architect, and its and their agents and employees, shall not discriminate against any employee or applicant for employment on any unlawful basis. Developer agrees not to discriminate against or segregate any person or group of persons on any unlawful basis in the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property or any part thereof or of any Developer Improvements erected or to be erected thereon or any part thereof. Developer agrees that it shall not obtain any grants, financing, subsidy, or other inducements that would require it to discriminate against any person or group of persons on the basis of income or source of income in connection with the sale, lease, rental, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property hereby conveyed or any part thereof or of any Developer Improvements erected or to be erected thereon or any part thereof.

3.9 Event of Force Majeure. Developer shall immediately notify Agency of the occurrence of an Event of Force Majeure and a proposed adjustment to applicable dates in the Schedule of Development, which Developer and Agency shall then modify as appropriate. If Developer fails to so provide Agency with written notice of the occurrence of an Event of Force Majeure, Developer shall have waived the right to claim an Event of Force Majeure.

3.10 Public Art. Agency, at its expense, may, but shall not be obligated to, include public artwork within the Developer Improvements. The artwork and the location of the artwork within the Developer Improvements shall be selected by Agency with the approval of Developer, such approval not to be unreasonably withheld.

3.11 Amendments to Architect Contract and Construction Contract. Developer shall not amend the Architect Contract or Construction Contract without the written approval of Agency, such approval not to be unreasonably withhold so long as the amendment shall not result in the contract being inconsistent with this Agreement.

3.12 Maintenance of Records. Developer shall keep complete and comprehensive records and books of account as to all of its activities, including the performance of its obligations, under this Agreement. Developer shall maintain all records pursuant to Generally Accepted Accounting Principles (GAAP) and pursuant to pronouncements by the Financial Accounting Standards Board (FASB). Upon not less than five (5) business days prior written notice to Developer, Agency shall have reasonable access during customary business hours to all records, functions, property and to the extent reasonably available personnel of Developer, including Developer's consultants and subcontractors under this Agreement, for the purpose of reviewing and auditing, at Agency expense, all records of Developer related to the Developer Improvements as necessary to determine Developer's compliance with this Agreement.

#### **ARTICLE 4** Indemnity

4.1 Indemnification. Developer assumes all responsibility (both before and after the issuance of the Certificate of Completion) for, and holds Agency and the City, and their consultants, officers, employees, and agents harmless from, and agrees to indemnify and defend, Agency and the City and their consultants, officers, employees and agents (collectively and

individually the "Indemnitees"), against, all claims, liabilities, losses, costs, and expenses (including, without limitation, attorneys' fees, reasonable investigative and discovery costs and court costs) and damages and injuries (including, without limitation, injuries to persons, loss of life, damage to tangible or intangible property or rights or economic loss, whenever occurring) arising out of or caused in whole or in part by the acts, errors or omissions of Developer or its agents, employees, servants, or their contractors, subconsultants of any tier, or subcontractors of any tier, or anyone directly or indirectly employed by them or for whose acts they may be liable, in the design and construction of the Developer Improvements, the Property and/or adjacent property or any improvements thereon (as applicable), specifically excluding, however, all claims incurred in a material way as a result of or arising out of (i) the gross negligence or willful conduct of the Indemnitee and its agents, servants and employees, and (ii) the breach of the Indemnitee's obligations hereunder. This indemnification obligation is intended to include, without limitation, the indemnification of Indemnitees for damages apportioned to any one or more of them in cases of comparative negligence or fault, where any portion of such damages is also apportioned to Developer or its agents, employees, servants, consultants, contractors, subconsultants of any tier, or subcontractors of any tier, or anyone directly or indirectly employed by them or for whose acts they may be liable.

4.2 Defense. Developer shall defend all suits brought upon such claims and shall pay all costs and expenses incidental thereto.

4.3 No Affect on Other Rights. This obligation to indemnify shall not be construed to negate, abridge or otherwise reduce other rights or obligations of indemnity which may otherwise exist in favor of the Indemnitees.

4.4 Coverage. This obligation to indemnify, defend and hold harmless shall remain effective notwithstanding the completion of Developer Improvements, and shall apply to damages and injuries discovered before and after the issuance of the Certificate of Completion for a period of two years. In claims against the Indemnitees by an employee of Developer, or its agents, employees, servants, consultants, subconsultants of any tier or subcontractors of any tier, or anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Section shall not be limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Developer or its agents, employees, servants, consultants, subconsultants of any tier or subcontractors of any tier, under workers' or workman's compensation acts, disability benefit acts or other employee benefits acts. Without limiting the generality of the foregoing, the indemnity and obligation to defend and hold harmless shall extend to:

(a) Design and/or construction by or through Developer of the Developer Improvements or any other work or thing done in, on or about the Property or adjacent property (if applicable), or a part thereof;

(b) During the term hereof, any use, non-use, possession, occupation, construction, alteration, repair, condition, operation or maintenance of the Property or adjacent property (if applicable), or improvements thereon by or through Developer, or any nuisance made or suffered thereon or any failure by Developer to keep the Property, adjacent property (if applicable), or improvements thereon or of any street, alley, parking

area or facility, sidewalk, curb, vault, passageway, gutter, tunnel, bridge, or space comprising a part thereof in a safe condition;

(c) Any fire, accident, injury (including death) or damage to any person or property occurring in, on or about the Property or adjacent property (if applicable) or improvements thereon or any part thereof or in, on or about any street, alley, parking area or facility, sidewalk, curb, vault, passageway, gutter, tunnel, bridge, or space comprising a part thereof; and

(d) Any lien or claim which may be alleged to have arisen against or on the Property, or improvements thereon or any part thereof or any of the assets of, or funds appropriated to, Agency, or any liability which may be asserted against Agency with respect thereto.

## **ARTICLE 5** **Transfer; Financial Encumbrances**

5.1 **Prohibition Against Transfer of Property, Developer Improvements and Assignment of Agreement.** Prior to the issuance by Agency of the Certificate of Completion, Developer shall not, without the prior written approval of Agency (which may be withheld in its absolute discretion) (i) sell, transfer, or convey directly or indirectly, the whole or any part of the Property or the buildings or structures thereon or (ii) transfer, assign or convey this Agreement or Developer's obligations hereunder; provided, however, that notwithstanding the foregoing, Developer shall be entitled to (A) enter into reservation agreements, pre-sale agreements, purchase and sale agreements, leases and other similar agreements with respect to portions of the Property so long as such agreements are documented on forms previously approved by Agency, and (B) sell residential units pursuant to bona fide sales to third parties. Developer shall not permit any change in the general partner(s), if applicable, or in the ownership of or with respect to the parties which own an interest in Developer on the date hereof, prior to the issuance of Certificate of Completion for the Developer Improvements, without the prior written consent of Agency, which consent may be withheld in its absolute discretion. These prohibitions shall not be deemed to prevent the granting of utility easements or permits to facilitate the construction of the Developer Improvements. Notwithstanding anything to the contrary herein, the prohibitions in this Section 5.1 shall not apply to (1) transfers of the interests of the limited partners (or non-managing members) of Developer or to the removal and replacement of Developer's general partner (or managing member) for cause by Developer's limited partners (or non-managing members) or (2) the conveyance of Commercial Unit B (as defined in the Declaration for the Plaza at State Street, a Mixed Use Condominium Development, recorded on the date hereof) to another entity the managing member of which is the managing member of Developer, in connection with the financing of such Commercial Units.

5.2 **Encumbrances.** Agency hereby approves the Construction Financing Documents and the Affordable Housing Agreements. Prior to the issuance of Certificate of Completion for the Developer Improvements, Developer shall not (a) grant any mortgage, deed of trust, or other lien secured by the Property, other than the Construction Financing Documents, or (b) enter into any other agreement encumbering the Property with any restrictions on use, other than the Affordable Housing Agreements.

**ARTICLE 6**  
**Defaults and Remedies**

6.1 **Default.** It shall be an event of default under this Agreement by Developer (an "Event of Default") if Developer shall fail to perform any of its duties or obligations hereunder at the time for performance set forth herein or if Developer shall default in its obligations under any of the covenants and conditions contained in Covenants First through Seventh in the Deed and Reverter Agreement, and thereafter fails to cure such default within thirty (30) days of its receipt of a written notice of default from Agency; provided, however, that in the event that the nature of such default is such that more than thirty (30) days are reasonably required for its cure, then such default will not be deemed to be an Event of Default if Developer shall commence such cure within such thirty (30) days period and shall thereafter diligently prosecute such cure to completion; provided, further, that the maximum additional time to complete such cure shall be thirty (30) days (sixty (60) days in total); provided further that if an Event of Force Majeure shall occur during such period then the time to complete such cure shall be extended by the time period of such event. Following an Event of Default, Agency shall have all remedies specified in the Deed and Reverter Agreement, and all remedies at law or in equity, which shall include the right to restrain by injunction any violation or threatened violation and by decree to compel specific performance of any terms, covenants or conditions of this Agreement, it being agreed that the remedy at law for any breach of any term, covenant, or condition of this Agreement is not adequate.

6.2 **Right to Cure.** Should Developer fail to timely perform any of the obligations set forth in this Agreement and thereafter fail to diligently commence performing any of such obligations within thirty (30) days of its receipt of Agency's written demand therefor, Agency, its successors and assigns, shall, in addition to any other remedy provided at law or in this Agreement, have the right (but not the obligation) to perform such obligation on behalf of Developer, and Developer shall reimburse Agency, its successors and assigns, for the actual cost of performing such work within ten (10) days after receipt of billing therefor and proof of payment thereof. In the event Developer does not reimburse Agency or its successors and assigns within such ten (10) days, Agency, its successors or assigns, shall have (i) the right to exercise any and all rights which Agency, its successors or assigns, might have at law to collect the same, and (ii) have a lien on the Property to the extent of the amount paid by Agency, its successors or assigns, but not reimbursed by Developer, which amount shall bear interest at a rate equal to the then published "Prime Rate" of Citibank, N.A., plus two percent (2%) per annum (the "Interest Rate") (the Parties acknowledging that such rate may not be the lowest or "best" rate), or the highest legal rate of interest, whichever is less, from the date of billing until paid. Such lien may be filed for record as a claim against Developer, in the form required by law, in the Salt Lake County Recorder's Office, which lien shall contain at least the following information:

- (a) The name of the lien claimant;
- (b) The name of Developer;
- (c) A description of the work performed on behalf of Developer and a statement itemizing the cost thereof; and

(d) A description of the Property.

The lien so claimed shall attach from the date of recordation in the amount claimed, and it may be enforced and foreclosed in any manner allowed by law, including, but not limited to, suits to foreclose a mechanic's lien, trust deed, or mortgage under applicable law. Such lien, when so established against the real property described in such lien, shall be prior and superior to any right, title, interest, lien, or claim which may be or is acquired or attached to such real property after the time of recording the claim of lien, but shall in any event be subordinate to the lien of a Qualified Mortgagee (as defined below).

6.3 Breach Shall Not Permit Termination. No breach of this Agreement shall entitle Developer to cancel, rescind or otherwise terminate this Agreement.

6.4 No Limitation of Remedies; Sole Discretion. The various rights and remedies herein contained, except as otherwise provided in this Agreement, shall not be considered as exclusive of any other right or remedy, but shall be construed as cumulative and shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. No delay or omission of the right to exercise any power or remedy shall impair any such right, power or remedy or be construed as a waiver of any default or nonperformance or as acquiescence therein. Developer and the successors and assigns of Developer, shall be jointly and severally liable for any default under this Agreement; provided, any action with regard to such default may be instituted against all or any one of them. All decisions and determinations made by Agency under this Article 7 may be made in Agency's sole discretion.

6.5 Rights of Agency on Revesting. Upon the revesting, if ever, in Agency of title to the Property or any part thereof as provided in the Deed and Reverter Agreement, Agency may elect (but is not required) to assume the Construction Contract or enter into new contract documents with a new contractor and complete construction of the Developer Improvements or such other improvements as it determines appropriate. Alternatively, Agency may resell such Property, in such manner as Agency shall find feasible and consistent with applicable law to a qualified and responsible party or parties as determined by Agency, who will assume the obligation of making or completing the Developer Improvements, or such other improvements in their stead, as shall be satisfactory to Agency and in accordance with the uses specified for the Property. Upon such election or upon such resale of the Property, as the case may be, the following requirements shall be satisfied:

(a) First, any loan secured by a mortgage or deed of trust permitted by this Agreement, if any, shall be paid in full or assumed (subject to the terms and conditions set for the applicable mortgage or deed of trust and related documents thereto).

(b) Second, Agency shall be entitled to reimburse Agency, on its own behalf, or on behalf of Salt Lake City, for all costs and expenses of Agency incident to the sale and/or conveyance of the Property, for all costs and expenses incurred by Agency (including salaries to personnel) in connection with the exercise of Agency's rights hereunder and in the management and resale of the Property (but less any income derived by Agency from the Property in connection with such management); all taxes, assessments, and water, sewer and other utility charges with respect to the Property; any

payments made or necessary to be made to discharge any existing encumbrances or liens, or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults, or acts of the Developer or any expenditures made or obligations incurred with respect to the making or completion of the Developer Improvements or any part thereof on the Property or portion thereof; and any amounts otherwise owing Agency by Developer; and

(c) Third, Developer shall be entitled to a reimbursement in an amount equal to the sum of:

(1) the purchase price in cash actually received by Agency from Developer for the Property (or allocable to the portion thereof); plus

(2) the costs reasonably incurred by Developer in connection with the construction of any of the Developer Improvements existing on the Property at the time of the reentry and repossession (including the fees paid to the Architect for preparing the Final Construction Documents, to Developer's engineers, and to design development and construction professionals whose work product Agency determines creates value for the Development Improvements (but excluding all other soft costs and other expenses incurred by Developer in connection with the development of the Developer Improvements and the costs of personnel of Developer), if and to the extent that Agency determines such existing Developer Improvements may be used in completing the construction of the remaining Developer Improvements or may be used in completing any other development of the Property as determined by Agency (such determinations to be made on a reasonable basis).

Any balance remaining after such reimbursement shall be retained by Agency.

6.6 Agency Default. Agency shall be deemed to be in default hereunder in the event Agency shall, for any reason other than Developer's default, fail to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits (including applicable cure periods) and the manner required in this Agreement. In the event Agency shall be deemed to be in default hereunder, Developer may, at its sole and exclusive remedy, obtain specific performance of, or a writ of mandamus to compel performance of, such duties.

## ARTICLE 7

### Mortgagee Protection and Notices

7.1 Definitions. As used in this Agreement, each of the following terms shall have the indicated meaning:

(a) "Designated Member" means a non-managing member of Developer of which Agency has been given written notice, including such non-managing member's name and address.

(b) "Mortgage" means a mortgage, or a deed of trust, or other security agreement recorded in the Official Records.

(c) "Mortgagee" means the mortgagee under a mortgage, the beneficiary under a deed of trust or the secured party under any security agreement recorded with respect to the Property or any portion thereof in the Official Records.

(d) "Official Records" means the official records of the Salt Lake County Recorder, State of Utah.

(e) "Qualified Mortgagee" means a Mortgagee of which Agency has been given written notice, including such Mortgagee's name and address.

7.2 Obligations of Mortgagee. Unless and until it enters into possession or acquires title pursuant to foreclosure or any arrangement or proceeding in lieu of foreclosure, any Qualified Mortgagee shall have no obligation to take any action to comply with, and may not be compelled to take any action to comply with, and shall have no liability under, this Agreement.

7.3 Notices; Right to Cure. On delivering to Developer any notice, demand or other communication pursuant to the provisions of this Agreement, including without limitation the Notice of Reverter (as such term is defined in the Deed and Reverter Agreement), Agency shall at the same time deliver copies of such notice to each Qualified Mortgagee and to each Designated Member at the latest address provided to Agency by such Qualified Mortgagee and such Designated Member. Although otherwise effective with respect to Developer, no notice delivered to Developer shall affect any rights or remedies of a Qualified Mortgagee unless a copy of such notice has been delivered to such Qualified Mortgagee in accordance with the immediately preceding sentence. Each Qualified Mortgagee and each Designated Member shall have the right to remedy a default, or cause the same to be remedied within the time allowed to Developer.

7.4 Performance. A Qualified Mortgagee and a Designated Member shall have the right to act for and in the place of Developer to the extent permitted by the applicable Mortgage, Developer's Operating Agreement or as otherwise agreed to by Developer in writing. Agency shall accept performance by or on behalf of a Qualified Mortgagee or a Designated Member as if the same had been performed by Developer. A Qualified Mortgagee shall have the right, to the extent Developer agrees in writing, to appear in a legal action or proceeding on behalf of Developer in connection with the Property.

7.5 Recognition. Within 30 days of a written request therefor together with evidence as Agency may reasonably require that a proposed Qualified Mortgagee in fact meets the requirements of a Qualified Mortgagee as set forth herein, Agency agrees to execute, acknowledge and deliver to such Qualified Mortgagee an instrument stating that such Qualified Mortgagee is a "Qualified Mortgagee" entitled to the benefits of this Article 9.

7.6 Amendments and Modifications. Agency agrees that, without the prior written consent of each Qualified Mortgagee and each Designated Member, Agency shall not enter into any agreement amending or modifying any provision of this Agreement.

7.7 Estoppel Certificate. Within ten (10) days after a written request by Developer, a Qualified Mortgagee or a proposed Qualified Mortgagee, and upon payment of Agency's reasonable out-of-pocket legal costs incurred in connection with the issuance thereof, Agency shall issue a certificate confirming or not confirming if not accurate:

- (a) that this Agreement is in full force and effect;
- (b) that to Agency's knowledge no default (or event which with the giving of notice or passage of time, or both) exists on the part of Developer or Agency under this Agreement; and
- (c) such other matters pertaining to this Agreement as may reasonably be requested.

The Person requesting the certificate shall be entitled to rely on the certificate.

## **ARTICLE 8**

### General Provisions

8.1 Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

8.2 Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

8.3 Attorneys' Fees. In any legal or equitable proceeding for the enforcement of, or to restrain the violation of, or otherwise pertaining to a dispute concerning this Agreement or any provision hereof, by reference or otherwise, the prevailing Party shall be entitled to an award of reasonable attorneys' fees in such amount as may be fixed by the court in such proceedings, in addition to costs of suit. If counsel is otherwise employed to enforce this Agreement or any provision hereof, the Party forced to take action that does not involve litigation shall be entitled to its reasonable attorneys' fees.

8.4 Notices. All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered, whether actually received or not, three (3) days after deposit in a regularly maintained receptacle for the United States mail, registered or certified, or another commercially acceptable means requiring a return receipt, postage prepaid, addressed as follows:

If to Developer:           Tannach Properties, L.L.C.  
                                  c/o La Porte Group  
                                  313 South Maryfield Drive  
                                  Salt Lake City, UT 84108  
                                  Attn: Ben Logue

With a copy to: A.O. Headman  
Cohne Rappaport & Segal  
257 East 200 South, #700  
Salt Lake City, Utah 84111

With a copy to: Stratford Capital Group  
8300 Greensboro Drive  
Suite 800  
McLean, VA 22102  
Attn: Stephen P. Wilson  
President (Virginia office)

If to Agency: Redevelopment Agency of Salt Lake City  
Attn: Executive Director  
451 South State Street, #418  
P.O. Box 145518  
Salt Lake City, Utah 84114-5518

With a copy to: Jones, Waldo, Holbrook & McDonough, P.C.  
170 South Main Street, Suite 1500  
Salt Lake City, Utah 84101  
Attention: Tom Berggren

Upon at least ten days prior written notice, each Party shall have the right to change its address to any other address within the United States of America.

8.5 Governing Law. This Agreement is intended to be performed in the State of Utah, and the laws of Utah shall govern the validity, construction, enforcement, and interpretation of this Agreement, unless otherwise specified herein.

8.6 Approvals and Consents. Whenever either Party is obligated to not unreasonably withhold an approval or consent hereunder, such Party shall also not unreasonably delay or condition such approval or consent.

8.7 Entirety and Amendments. This Agreement, together with the Purchase Agreement, embodies the entire agreement between the Parties and supersedes any prior agreements and understandings, if any, relating to the Property, and may be amended or supplemented only by an instrument in writing executed by both Agency and Developer.

8.8 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.

8.9 Further Acts. In addition to the acts and deeds recited herein and contemplated to be performed, executed and delivered by Agency and Developer, Agency and Developer agree to perform, execute, and deliver or cause to be performed, executed, and delivered any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated hereby.

8.10 Survival. Except as otherwise provided for herein, all agreements, covenants, representations and warranties contained herein shall survive the expiration or termination of this Agreement and the performance by Developer of its obligations hereunder.

8.11 Warranty against Payment of Consideration for Agreement. The Developer represents and warrants that neither it nor any of its members, managers, employees or officers has: (1) provided an illegal gift or payoff to Salt Lake City ("City") or an Agency officer or employee or former City or Agency officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of security business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

8.12 Nonliability of Agency Officials and Employees. No member, official, or employee of Agency shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by Agency or for any amount which may become due to Developer or its successor or on any obligation under the terms of this Agreement.

8.13 Recordation. At Agency's election, this Agreement or a memorandum of this Agreement shall be recorded in the office of the Salt Lake County Recorder.

8.14 No Relationship of Principal and Agent. Nothing contained in this Agreement, nor any acts of the Parties shall be deemed or construed to create the relationship of principal and agent or of limited or general partnership or of joint venture or of any other similar association between Agency, its successors or assigns, or Developer, its successors or assigns.

8.15 No Presumption. This Agreement shall be interpreted and construed only by the contents hereof and there shall be no presumption or standard of construction in favor of or against either Party.

8.16 Exhibits. All references to Exhibits contained herein are references to exhibits attached hereto, all of which are made a part hereof for all purposes.

8.17 Days. Unless otherwise specified in this Agreement, a reference to the word "days" shall mean calendar days. The term "**business days**" shall mean each day of the week except weekends and federal holidays during which the United States mail is not delivered.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

REDEVELOPMENT AGENCY OF SALT LAKE CITY

By [Signature]  
Ralph Becker  
Its Chief Administrative Officer

By [Signature]  
D.J. Baxter  
Its Executive Director

Approved as to legal form:

Jones, Waldo, Holbrook & McDonough, P.C.

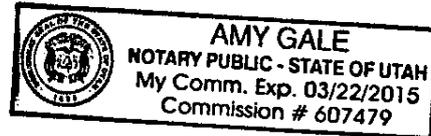
By: [Signature]

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

On the 5 day of April, 2012, personally appeared before me Ralph Becker, who being by me duly sworn did say he is the Chief Administrative Officer of The Redevelopment Agency of Salt Lake City, and that the within and foregoing instrument was signed on behalf of said Agency.

[Signature]  
NOTARY PUBLIC  
Residing at: SL County

My Commission Expires:



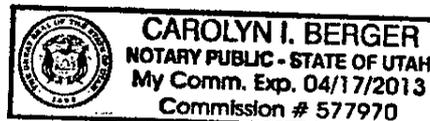
STATE OF UTAH )  
: ss.  
COUNTY OF SALT LAKE )

On the 5 day of April, 2012, personally appeared before me D.J. Baxter, who being by me duly sworn did say he is the Executive Director of The Redevelopment Agency of Salt Lake City, and that the within and foregoing instrument was signed on behalf of said Agency.

[Signature]  
NOTARY PUBLIC  
Residing at: SL County

My Commission Expires:

4/17/13  
Development Agreement  
934429.10



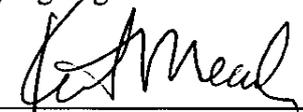
TANNACH PROPERTIES, L.L.C.,  
a Utah limited liability company

By: Tannach Management Group, LLC,  
a Utah limited liability company  
Its: Manager

By: \_\_\_\_\_  
Name: Benjamin Logue  
Title: Manager

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

On the 4 day of April, 2012, before me, the undersigned Notary Public, personally appeared Benjamin Logue, who acknowledged himself to be the Manager of Tannach Management Group, LLC the Manager of Tannach Properties, L.L.C. and that he executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as such officer.

  
\_\_\_\_\_  
NOTARY PUBLIC  
Residing at: \_\_\_\_\_



**EXHIBIT A  
(To Development Agreement)**

Description of the Property

PARCEL 1: (16-06-154-002)

Beginning at the Southwest corner of Lot 5, Block 56, Plat "A", Salt Lake City Survey, and running thence North 50 feet 4 inches; thence East 99 feet; thence South 50 feet 4 inches; thence West 99 feet to the place of beginning.

PARCEL 2: (16-06-154-053)

Beginning at the Southeast corner of Lot 5, Block 56, Plat "A", Salt Lake City Survey, and running thence South 89°58'56" West 66.00 feet; thence North 0°03'14" East 50.33 feet; thence North 89°58'56" East 66.00 feet; thence South 0°03'14" West 50.33 feet to the point of beginning.

PARCEL 3: (16-06-154-054)

Beginning at the Southwest corner of Lot 6, Block 56, Plat "A", Salt Lake City Survey, and running thence East 68 feet; thence North 6 rods; thence West 68 feet; thence South 6 rods to the point of beginning.

TOGETHER WITH 1/2 vacated alley abutting said property on the East.

LESS AND EXCEPTING therefrom the following:

Beginning at a point located 50.33 feet North 0°03'14" East from the Southwest corner of Lot 6, Block 56, Plat "A", Salt Lake City Survey, and running thence North 0°03'14" East 48.67 feet; thence North 89°58'56" East 68.00 feet; thence South 0° 03'14" West 48.67 feet; thence South 89° 58'56" West 68.00 feet to the point of beginning.

TOGETHER WITH one-half the vacated alley abutting said property on the East.

PARCEL 3A:

TOGETHER WITH a right of way over Floral Avenue as disclosed by that certain Warranty Deed recorded January 6, 2000 as Entry No. 7549476 in Book 8334 at Page 8191, being 16 feet in width adjoining said property on the East and extending North to the North line of said Lot 6.

PARCEL 4: (16-06-154-003)

Beginning at the Northwest corner of Lot 4, Block 56, Plat "A", Salt Lake City Survey, and running thence South 43 1/3 feet; thence East 165 feet; thence North 43 1/3 feet; thence West 165 feet to the point of beginning.

ALSO Beginning at the Northwest corner of Lot 3, Block 56, Plat "A", Salt Lake City Survey, and running thence East 70 feet; thence South 42 1/2 feet; thence West 70 feet; thence North 42 1/2 feet to the point of beginning.

ALSO TOGETHER WITH 1/2 vacated street abutting on the East.

PARCEL 5: (16-06-154-004)

Beginning at a point which is 43 1/3 feet South from the Northwest corner of Lot 4, Block 56, Plat "A", Salt Lake City Survey, and running thence South 22 2/3 feet; thence East 10 rods; thence North 22 2/3 feet; thence West 10 rods to the point of beginning.

PARCEL 6: (16-06-154-005)

Beginning at a point which is 66 feet South from the Northwest corner of Lot 4, Block 56, Plat "A", Salt Lake City Survey, and running thence South 24 feet; thence East 10 rods; thence North 24 feet; thence West 10 rods to the point of beginning.

PARCEL 7: (16-06-154-009)

Beginning at a point which is 42.5 feet South from the Northwest corner of Lot 3, Block 56, Plat "A", Salt Lake City Survey, and running thence South 45.5 feet; thence East 70 feet; thence North 45.5 feet; thence West 70 feet to the point of beginning.

PARCEL 8: (16-06-154-006)

Beginning at a point which is 90 feet South from the Northwest corner of Lot 4, Block 56, Plat "A", Salt Lake City Survey, and running thence South 52 feet; thence East 235 feet; thence North 54 feet; thence West 70 feet; thence South 2 feet; thence West 165 feet to the point of beginning.

TOGETHER WITH the West 1/2 of the vacated street abutting on said property on the East which lies within the bounds of Floral Avenue.

PARCEL 9: (16-06-154-040)

Part of Lot 3, Block 56, Plat "A", Salt Lake City Survey:

Commencing at a point 29 feet West of the Northeast corner of said Lot 3; thence West 59 feet; thence South 34 feet; thence East 59 feet; thence North 34 feet to beginning.

LESS AND EXCEPTING therefrom the following:

Beginning at a point which lies South 89°58'22" West 29.00 feet from the Northeast Corner of Lot 3, Block 56, Plat "A", Salt Lake City Survey, and running thence South 0°02'3 1" West 34.00 feet; thence South 89°58'22" West 0.67 feet; thence North 0°02'3 1" East 34.00 feet; thence North 89°58'22" East 0.67 feet to the point of beginning.

PARCEL 9A:

A non-exclusive right of way over tract:

Commencing 80 feet West and 196 feet North of the Southeast corner of said Lot 3; thence North 100 feet; thence West 8 feet; thence South 100 feet; thence East 8 feet to the point of beginning.

PARCEL 9B:

A right of way for the physical relocation of "Floral Avenue" as disclosed by that certain Relocation of Right of Way recorded July 12, 1989 as Entry No. 4798572 in Book 6142 at page 2221 and that certain Relocation of Right of Way recorded July 12, 1989 as Entry No. 4798573 in Book 6142 at page 2226, being described as follows:

Beginning at a point which lies 100.00 feet South and West 79.00 feet from the Northwest corner of Lot 2, Block 56, Plat "A" of the SALT LAKE CITY SURVEY; said point being the point of curvature of a 12.23 foot radius curve to the left; thence along the arc of said 12.23 foot radius curve to the left, 19.21 feet (long chord bears South 45°00'00" East 17.30 feet); thence East 117.77 feet, more or less, to the West line of Edison Street; thence South along said West line 22.00 feet; thence West 12.54 feet to the point of curvature of a 484.75 foot radius curve to the left; thence along the arc of said 484.75 foot radius curve to the left, 84.60 feet (long chord bears South 85°00'00" West 84.50 feet) to the point of curvature of a 42.00 foot radius curve to the right; thence along the arc of said 42.00 foot radius curve to the right, 32.88 feet (Long chord bears North 77°34'34" West 32.04 feet); thence North 1.47 feet; thence West 2.00 feet; thence North 33.00 feet to the point of beginning.

Parcel 10:

Beginning 101 feet South and 79 feet West from the Northeast corner of Lot 3, Block 56, Plat "A", SALT LAKE CITY SURVEY; thence West 8 feet; thence South 33 feet; thence East 8 feet; thence North 33 feet to the point of beginning.

**EXHIBIT B**  
**(To Development Agreement)**

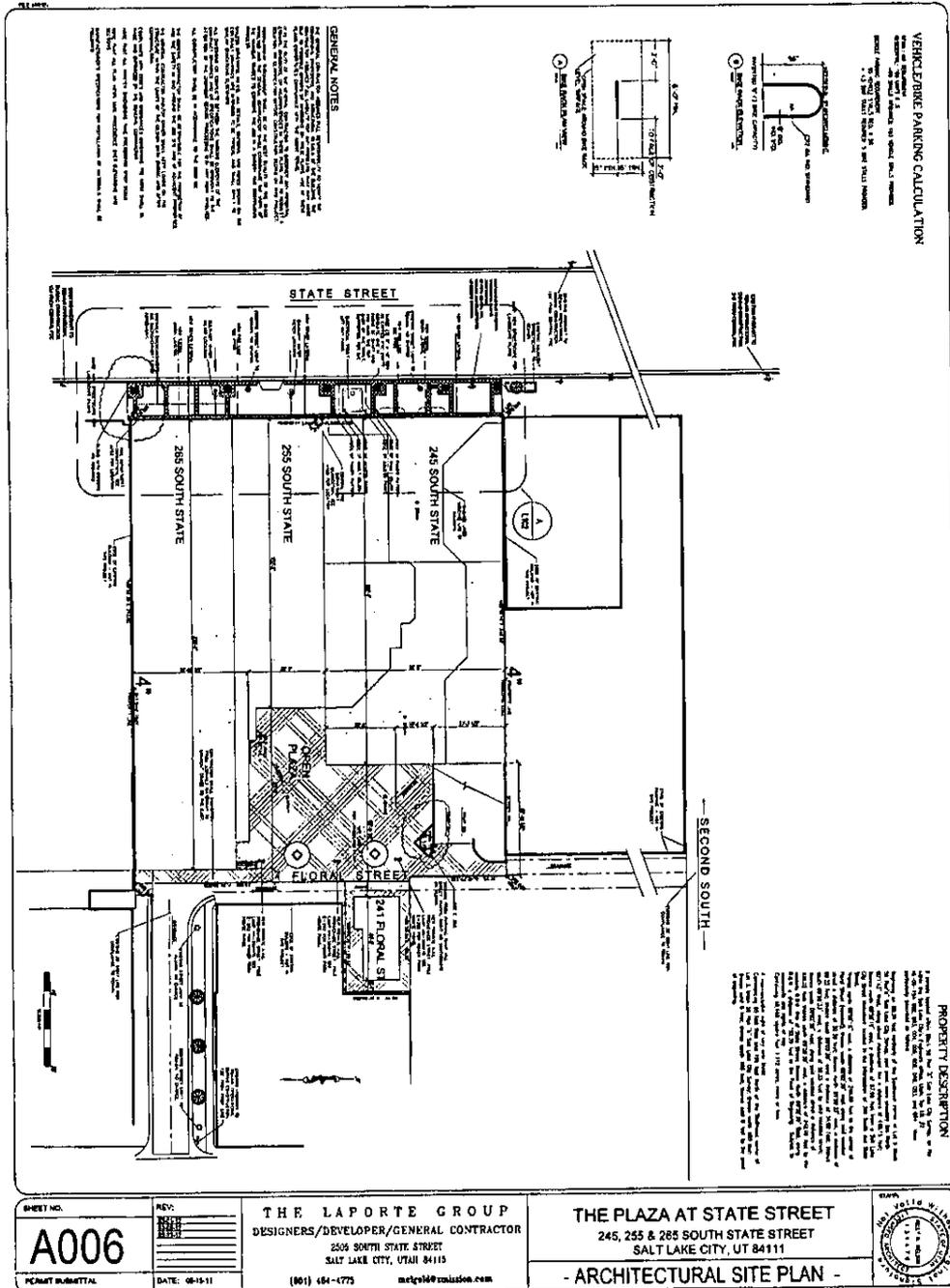
**Description of Developer Improvements**

1. Site Preparation: Site preparation, including demolition and remediation, shall be coordinated with neighboring property owners.
2. Demolition: Developer shall be responsible for all demolition and demolition costs required for the completion of the Developer Improvements.
3. Cramer House (247 South Floral Street): Developer shall preserve or historically restore the façade and structure of the Cramer House.
4. Mid-Block Walkway: Developer shall construct a publicly accessible walkway connecting State Street and Floral Street. The walkway shall provide a safe environment and be at least 15 feet wide.
5. Parking: Parking shall not exceed the greater of (a) 184 parking stalls; or (b) the minimum number of parking stalls required by Salt Lake City. The project shall not include any surface parking.
6. Residential Units: Developer shall provide 180 ( $\pm 5\%$ ) apartment units. Included in the total number of apartment units shall be 10 studio apartments for those making 40% or less of the Area Median Income (AMI), 30 ( $\pm 5\%$ ) one-bedroom and one-bathroom apartments for those making 55% or less of AMI, 24 ( $\pm 5\%$ ) one-bedroom and one-bathroom apartment units for those making 60% of AMI, 35 ( $\pm 5\%$ ) two-bedroom and two-bathroom apartment units for those making 60% of AMI, 26 ( $\pm 5\%$ ) two-bedroom and two-bathroom apartment units (no tenant income restrictions), 10 three-bedroom and two-bathroom apartment units for those making 50% of AMI, 20 ( $\pm 5\%$ ) three-bedroom and two-bathroom units for those making 60% of AMI, 18 three-bedroom and two-bathroom units (no tenant income restrictions), and 7 four-bedroom and two-bathroom apartment units for those making 60% or less of AMI.
7. Commercial Space: Developer shall provide 27,600 ( $\pm 5\%$ ) square feet of commercial space on the ground floor of 255-265 South State Street. An additional 1,800 ( $\pm 5\%$ ) square feet of commercial space shall be provided at 247 South Floral Street.
8. Façade Restoration: The east and west historic facades of 247-255 South State Street shall be restored.

9. **New Structure:** Developer shall demolish 237-245 South State Street and construct a seven and ten-story multi-family apartment building with two levels of underground parking.
10. **Theater:** A theater shall be constructed on the ground floor of 265 South State Street. The design and construction shall incorporate historic features of the Rex Theater.
11. **The Developer Improvements** shall be constructed in a manner that will permit the Architect to issue the LEED Certificate as required by Section 3.5 of the Development Agreement.

**EXHIBIT C  
(To Development Agreement)**

Site Plan



**EXHIBIT D**  
**(To Development Agreement)**

Schedule of Development

<u>Approval/Milestone</u>	<u>Section Reference</u>	<u>Outside Date</u>
Closing Date/Execution of Development Agreement	Section 3.2	April 11, 2012
Commence Abatement/Demolition/Construction of the Developer Improvements	Section 3.2	April 14, 2012
Subcontracts with Major Subcontractors, Assignments of Subcontracts with Major Subcontractors and Payment and Performance Bonds from Major Subcontractors	Section 2.6	Within 90 and 150 days after closing
Substantial Completion of Developer Improvements	Section 3.2	September 1, 2013
Completion of Punch List	Section 3.2	90-Days following substantial completion

