DEVELOPMENT AGREEMENT

AGREEMENT made this 12th day of October and between BOYER NORTH OGDEN ASSOCIATES, hereinafter referred to as "Boyer," and SMITH'S FOOD KING PROPERTIES, INC., a Utah corporation, hereinafter referred to as "Smith's."

In consideration of the mutual covenants and promises to be kept and performed as described herein, the parties agree as follows:

### 1. FACTS AND OBJECTIVES

This Agreement for Development, containing restrictive covenants, is made with reference to the following facts and objectives:

- Smith's is the owner of that certain tract of land  $olimits_{\mathcal{O}}$ designated as Smith's Parcel, and Boyer is the owner of those 🕆 certain tracts of land designated as Boyer's Parcels, as more fully described in Exhibit "A" attached hereto and incorporated herein by this reference. Also attached hereto as Exhibit "B" is a site plan of the Shopping Center, which shall, for purposes of this Agreement, be by this reference incorporated herein and considered a part hereof.
- Smith's Parcel and Boyer's Parcel together shall be hereafter known as the "Entire Premises."
- The parties acknowledge they may each lease and/or sell all or portions of their respective parcels to other tenants and/or owners.

D. The parties desire to establish, as hereinafter provided, nonexclusive easements for the use of those portions of the Entire Premises, which are not from time to time improved with buildings or other structures, and which are intended for use as driveways, pedestrian ways, sidewalks, parking areas, parking spaces, and for ingress and egress to and from public roadways and utility line purposes (the foregoing portions of the Entire Premises hereinafter collectively referred to as "Common Areas") and are generally designated on the Exhibit "B" site plan attached hereto, and further desire to set out the terms, conditions and restrictive covenants controlling development of the Entire Premises.

E. The parties agree to cooperate in designing and developing a successful, first-class shopping center on the Entire Premises and further agree that in the design, development and use thereof, they will be bound by the terms of this Development Agreement. Any building areas on the Entire Premises which are not fully developed by the date Smith's opens for business shall be maintained by the owner thereof, reasonably clear of weeds or debris. Any undeveloped pad not covered by asphalt or concrete shall be maintained by the owner of such portion in such a manner as to keep weeds down and to prevent dust and dirt from being blown onto other parts of the Entire Premises. Future construction upon such building areas, if any, shall be managed so as not to unreasonably interfere with the common parking areas and roads.

F. All areas not designated as locations or pads for buildings shall be defined as "Common Areas."

### 2. TERM

The term of this Agreement shall commence on the date of execution hereof, and shall continue in perpetuity.

### 3. EASEMENT

The parties hereby grant to each and every person, partnership, corporation or other entity now or hereinafter owning or having an interest in all or any portion of Smith's Parcel, and Boyer's Parcel, a mutual reciprocal and non-exclusive easement, license, right and privilege, for the installation, maintenance and connection to all underground utilities including all utility lines, wires, pipes, conduits, sewers and drainage lines, and the rights and privileges of passage and use both pedestrian and vehicular, including but not limited to, the parking of vehicles and for ingress and egress to and from the roadways adjoining the Entire Premises, in, to, upon, through and over the Common Areas from time to time located on the Entire Premises. Such rights of parking referred to in this Paragraph 3 are limited to the extent that each party shall be responsible to provide parking and see that its principals, employees and the principals and employees of any tenants park on the respective owner's property in an area designated for employee parking, it being understood and agreed that the most convenient parking facilities be maintained for use of customers and other business invitees only. The parties agree that any future connections to the existing "underground utility lines," as used herein to

include, by way of reference but not limitation, all wires, pipes, conduits, sewer drainage lines, etc., located on the respective Parcels shall be, following the date that the shopping center is constructed, subject to advance written approval of the owner of the respective parcels where such future connections are to occur.

No party shall have the right to withhold any written approval required by this Paragraph 3 when reasonable arrangements are made to perform any work required in a manner and at times calculated to cause minimal disruption with the business of the tenants upon the parcel where the work is to be accomplished.

The easements, rights and privileges granted hereby shall be for the benefit of and be restrictive solely to the owners from time to time of all or any portion of Parcels, but such owner or owners may grant the benefit of such easement, right and privileges to its tenants now or hereafter occupying a building or portions thereof on the Entire Premises for a period of such tenancy, and to the customers, employees and business invitees of said tenants, but the same is not intended, and shall not be construed as creating any rights in and for the benefit of the general public.

Notwithstanding anything contained in this Paragraph 3 to the contrary, the easements, rights and privileges hereinabove granted shall not extend to or exist over portions of the Entire Premises hereinafter improved with buildings or other structures as shown as building areas on the site plan attached hereto as Exhibit \*B.\*



The easements, rights and privileges hereinabove granted shall be used and enjoyed in such a manner as to cause the least possible interference with the conduct and operations of the businesses at any time existing on the Entire Premises. construction of buildings upon the Entire Premises shall, in all material respects, be within the perimeter of those areas designated as building areas on the site plan attached as Exhibit "B." (All other areas shall be maintained as Common Areas with no less parking on any parcel than is currently shown on attached Exhibit "B." As buildings are developed within designated perimeters, any areas within each building pad not utilized for building purposes shall be considered as Common Area and maintained as such until and unless converted to building. However, Common Area shall not include loading docks and trash areas.) With the exception of building canopy overhangs and footings, which shall be permitted a maximum four (4) feet of encroachment, in no case will buildings or other structures be constructed outside the designated building perimeters outlined on Exhibit "B" without the prior written approval of both parties. The parties further agree in general to manage their respective properties in such manner as to encourage customer convenience and retail sales.

Bach party shall have the right to permit employee parking on their respective parcel except that such employee parking may be limited from time to time to specific areas mutually designated by Boyer and Smith's, or their successors.

The easements herein granted include an allowance for excess storm water, not handled by the storm drain system, to flow over the parking lot areas from one parcel to the other.

## 4. SPECIFICATIONS OF BUILDINGS TO BE ERECTED ON PARCELS

The parties hereto agree that as a material part of this Development Agreement, the specifications as to size, shape and location of the building to be erected on the respective parcels at any time shall be governed by the site plan attached hereto as Exhibit "B," and other specifications not covered by Exhibit "B," including but not limited to, type and location of signs, building materials and design and color of buildings, to be determined as the parties shall agree. The parties specifically agree that the exterior of all buildings to be constructed on the Entire Premises shall be of a block material or other suitable materials approved by the parties hereto (it is hereby understood that block, brick, stucco or stucco-like materials are hereby approved), and in no case shall "metal skins" be used anywhere on the exterior of any building.

The parties also agree that Pads A and B, as shown on Exhibit "B," shall be no larger than 4,000 and 4,500 square feet, respectively, and further, that the buildings constructed thereon shall be one story only, and shall be located only in the areas marked on Exhibit "B," as Boyer and Smith's shall mutually agree.

# 5. COMPLETION OF COMMON AREAS

The parties agree to share, on a prorated basis (determined by total building square footage on each party's parcel as

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shown on Exhibit "B" to be Smith's share at sixty-five percent (65%) and Boyer's share at thirty-five percent (35%)) the construction expense of the common area improvements outlined below. Common area improvements shall include the cost for storm drains, sewer lines, water lines and utility hook-ups that will service both parcels, parking improvements, including curb and gutter, paving, lighting, sidewalks and landscaping.

The costs of repairing or maintaining "underground utility lines," as specified in Paragraph 3, located on one owner's parcel but servicing solely another owner's parcel shall be paid by the owner of the parcel receiving such service. The costs of repairing or maintaining "underground utility lines" located on one owner's parcel but servicing more than one parcel shall be paid for by the party causing the damage to such utility lines. All construction, repair, maintenance or other costs incurred for work performed within the area outlined in blue on Exhibit "B" shall be borne solely by the owner of that respective parcel.

### 6. MAINTENANCE AND TAXES

With the exception of the maintenance costs for storm drains and water lines, which costs shall be borne on the prorata basis outlined in Paragraph 5, from and after the date of completion of the parking and Common Area improvements outlined in Paragraph 5 above, the owner of the respective parcels of property comprising the Entire Premises shall be responsible at their own expense for all costs and expenses of the maintenance of the Common Areas located on their respective parcels which shall include, but not be limited to, sewer line maintenance, landscaping maintenance, electricity, cleaning, snow removal,

repairs and replacements, including resurfacing and restriping, maintenance of lights and light standards including illumination during the hours the businesses of the shopping center are open, and a reasonable period prior and subsequent thereto, landscaping and operation of such Common Areas. The owners shall cause the Common Area parking to be thoroughly cleaned not less than once weekly, and more often if necessary, and snow to be properly removed on every occasion where it impedes the use of said facilities. In the event any or all of the Owners and/or Tenants elect to maintain the Common Areas located on their respective parcels in conjunction with each other, then in such event, all such costs and expenses shall be prorated among such Owners and/or Tenants in the proportion of sixty-five percent (65%) Smith's and thirty-five percent (35%) Boyer. Should any party sell all or part of its premises, this covenant and the proration agreement shall run with the land and be binding upon successors and assigns of the parties hereto. .

The Owners and/or Tenants, (if obligated to do so pursuant to any lease) of the respective parcels of property comprising the Entire Premises shall timely pay all real estate taxes and assessments, water rents and charges levied on their respective parcels.

### 7. INDEMNIFICATION/INSURANCE

A. <u>Indemnification</u>: Each party hereby indemnifies and saves the other parties harmless from any and all liability, damage, expense, causes of action, suits, claims, or judgments arising from injury to person or property occurring on any portion of the Shopping Center owned by it, except if caused by the willful act or neglect of another party hereto or the agents,

assigns, lessees, or successors in interest of another party hereto.

B. <u>Liability Insurance</u>: Each party shall provide comprehensive general liability insurance affording protection to itself and the other parties, naming the other parties as "additional insureds" under the policy or policies, for a combined bodily injury and property damage limit of liability of not less than \$1,000,000 for each individual, \$2,000,000 for each accident, and \$250,000 for property damage for any portion of the Shopping Center owned by it not otherwise included within the insurance coverage provided upon the Common Areas.

### 8. TYPES OF BUSINESS

The parties covenant mutually, commencing on the date of this Agreement and continuing into perpetuity, that so long as Smith's Parcel is being operated as a supermarket food and drug store, Boyer's Parcel of land as described in Exhibit "A" shall not be leased, rented, used or occupied as any type of supermarket, grocery store, pharmacy, movie house, thrift or second hand store, health spa, sports mall, bar, or convenience store (7-Eleven type) without first obtaining the approval of Smith's or Smith's successor in interest.

### 9. ARCHITECTURAL CONTROL

The design, style, placement and construction of the building and improvements on the respective Parcels are subject to review and approval by an Architectural Committee consisting of a representative of Smith's and Boyer. During the term of this Agreement, all such buildings and improvements shall and must be approved in writing by the Architectural Committee prior to the start of the construction thereof, unless such requirement

for approval is waived by both parties. Architectural Committee approval shall not be required for reasonable alterations, modifications or repairs made to existing improvements. The approvals referred to shall only apply to the exterior of buildings and improvements. It is the intent of the parties that as to design and construction materials, the Shopping Center be developed in an aesthetic and compatible manner so as to present the best image possible to the consuming public. No approval shall be unreasonably withheld by any member of the Architectural Committee.

# 10. CONDEMNATION

In the event of condemnation by eminent domain by any duly constituted authority for a public or quasi-public use of all or any part of the Entire Premises, that portion of the award attributable to the value of any land within the Common Areas so taken shall be payable only to the owner in fee, as the case may be with respect to the portion condemned, and no claim thereon shall be made by the other owner of any other portion of the Entire Premises, provided, however, all other owners of the Entire Premises may file collateral claims with the condemning authority, over and above the value of the land within the Common Areas so taken, to the extent of any damage suffered to their respective improvements resulting from the severance of the appurtenant Common Area or utility easements and facilities so taken, provided, however, that the Owner in fee of the portion of the Common Area so condemned shall promptly repair and restore the remaining portion of the Common Area so owned by such Owner as near as practicable to the condition of the same immediately prior to such condemnation and without contribution from any

other owners of the Entire Premises except to the extent that the proceeds of such award are insufficient to pay the costs of such restoration and repair, or if the Owner is not obligated to restore and/or repair pursuant to a lease affecting the area so condemned.

No party shall have any right to any award made by the condemning authority for the value of any rights or other benefits relating to other parcels, whichever is taken by the condemnation.

# 11. OBSTRUCTIONS

No fences, barriers or other obstructions, except as are shown on Exhibit "B" shall be erected or maintained between Smith's Parcel and Boyer's Parcel except to facilitate smooth and safe traffic flow between the parcels. Notwithstanding the foregoing, nothing herein shall be construed to prohibit, from time to time, not more frequently than four (4) times in any calendar year nor for more than thirty (30) days in duration, the use of a portion of the Common Area by the respective owner thereof, or its assigns, for a temporary sale or promotion, so long as such use does not unreasonably interfere with the traffic flow or unreasonably obstruct the rights granted under this Agreement to the other parties hereto.

# 12. CONTROL OF ACCESS

The parties, for themselves and the then Owners of all or any part of the easement areas granted in Paragraph 3 above, do, however, reserve the right to close temporarily all or any portion of the said easement areas to such extent, in the opinion of the parties or the then Owners of all or any part of the easement areas, as may be legally necessary and sufficient to

prevent a dedication thereof or an accrual of any rights in any person other than as aforesaid or in the public generally therein. Any such temporary closing shall, however, be further subject to the reasonable consent of all owners of the Entire Premises.

### 13. COVENANTS RUN WITH LAND

The easements hereby granted, the restrictions hereby imposed and the agreements and covenants herein contained shall be easements, restrictions and covenants running with the land, and shall inure to the benefit of, and be binding upon, the parties and all future owners of all or any portion of the Entire Premises, and their respective heirs, successors and assigns, and all persons claiming under them from the date hereof into perpetuity, unless terminated either as set forth herein, or by unanimous vote of all the owners of the Entire Premises.

### 14. REMEDIES

In the event of a breach, or attempt or threatened breach, by any owner hereafter of any portion of said Entire Premises, in any of the terms, covenants and conditions hereof, including but not limited to payment of taxes and assessments, anyone or all other owners of the Entire Premises shall be entitled forthwith to full and adequate relief by injunction and/or all such other available legal and equitable remedies from the consequences of such breach including payment of any amounts due, and any deed, lease, assignment, conveyance or contract made in violation of this Agreement shall be void and may be set aside upon petition of one or more of the owners of the Entire Premises. All costs and expenses incurred by any owner in making any payments in any such suit or proceedings shall be assessed



against the defaulting owner in favor of any prevailing owner and shall constitute a lien against the real estate or the interest therein for which such payment was made or against the real estate or the interest therein wrongfully deeded, leased, assigned, conveyed or contracted for until paid, effective upon recording notice thereof in the Office of the Recorder in and for the county where the Entire Premises is located, but any such lien shall be subordinated to any First Mortgage covering any portion of the Entire Premises and any Purchaser at any foreclosure sale (as well as any grant of deed in lieu of foreclosure) under any such First Mortgage shall take title free from any such existing lien, but otherwise be subject to the provisions hereof. The remedies of any one or all such owners of the property and shopping center specified herein shall be cumulative as to each and as to all other permitted at law or in equity.

In the further event of any failure by a party to perform, fulfill or observe any covenant or agreement herein to be performed, fulfilled or observed by it, continuing for thirty (30) days after receipt of written notice, creating or causing a situation involving potential danger to the health or safety of persons, in, on or about Smith's Parcel and/or Boyer's Parcel or causing substantial deterioration or damage to either parcel, or any portion or part thereof, in each case after written notice specifying such, the other party may, at its election, cure such failure or breach for and on behalf of the defaulting party, and any amount which the party so electing shall expend for such purpose, or which shall otherwise be due by any party to any of the other parties hereunder, shall be paid to the party to whom due on demand, without contest, upon delivery of its invoice,

together with interest thereon at the lower of (i) the rate of fifteen percent (15%) per annum, or (ii) the maximum permissible from time to time under applicable law, from the date of the expenditure or the date when the same shall have become due to he date of payment thereof in full. The provisions of this paragraph shall in all respects be subject and subordinate to the lien of any mortgages or any deeds of trust at any time or from time to time on the land of the defaulting party and the rights of the holder or holders thereof.

### 15. SUCCESSORS BOUND

The rights herein granted or reserved and the restrictions herein set forth shall run with the land and the agreements herein contained shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

# 16. FORCE MAJEURE

If the parties hereto are prevented from timely performance of any requirement hereunder by strikes, lockouts, natural disasters, delays in obtaining materials, acts of God or any similar event, the time for performance shall be excended by the period of any such delay.

### 17. GOVERNING LAW

This Agreement shall be construed in accordance with the laws where the real property which is the subject matter of this Agreement is located.

# 18. MEMORANDUM

The parties agree to sign and have recorded a Memorandum of this Development Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Development Agreement to be executed the day and year first above written. "BOYER" BOYER NORTH OGDEN ASSOCIATES ATTEST: "SMITH'S" SHITH'S FOOD KING PROPERTIES, INC. 1 multiple Tom Welch, Vice President

ATTEST:

Peter H. Barth Assistant Secretary

STATE OF County of Salt

On the appeared before me 1987, personally being by me duly, sworn endicates, and that the within and foregoing signed in behalf of said establish by authority of its Board of Directors and said H Fager Jay each duly acknowledged to me that said ame, and that the seal affixed is the corporation executed the same, and that

commission\_expires:

Residing at:

County of Salt Lake

On the It day of Italici, 1987, personally appeared before me Tom Welch and Peter H. Barth, who being by me duly sworn did say, each for himself, that he, the said Tom Welch is the Vice President, and he, the said Peter H. Barth, is the Assistant Secretary of SMITH'S FOOD KING PROPERTIES, INC., and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its Board of Directors and said Tom Welch and Peter H. Barth each duly acknowledged to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

My commission expires:

NOTARY PUBLIC Residing at:

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Consulting Engineers and Land Surveyors
P.O. Bex 9207
Ogden, Uteh
Ogden (801) 394-4515
Zip Code 84409
Salt Lake (801) 321-8529

January 16, 1986 Revised January 20, 1986

SMITH'S NORTH OGDEN SMITH'S PARCEL

Part of Lots 9, 10, and 12, PLAT "B", NORTH OGDEN SURVEY, Weber County, Utah:

Beginning at a point on the West line of said Lot 9, being 708.51 feet South 0°15' West along the centerline of Washington Boulevard, and 66.00 feet South 89°45' East from existing Monument No. 13 at the centerline Intersection of Washington Boulevard and 2600 North Street; running thence North 0°15' East 346.47 feet along said East line of Washington Boulevard; thence South 89°45' East 207.51 feet along a driveway; thence South 0°15' West parallel to Washington Boulevard 28.80 feet: thence South 89°45' East 166.35 feet along the North line of the proposed Smith's Building: thence North 0°15' East 359.80 feet along a driveway parallel to Washington Boulevard to the South line of 2600 North Street; thence East along said South line of Street 47.00 feet; thence South 3 chains [198 feet] (South 0°15' West 199.21 feet) parallel to Washington Boulevard; thence East 53.12 feet to the East line of Section 32, Township 7 North, Range 1 West, Salt Lake Base and Meridian, Said point being North 0°12' West along said East Section line 2163.35 feet (2163.55 feet) from an existing brass cap at the East Quarter corner of said Section 32; thence South 0°12' East along said Section line 280.09 feet to the center of North Ogden Canal; thence Southeasterly along the centerline of said Canal the following two (2) courses: South 25:23' East 121.90 feet and South 30"50' East 220.29 feet; thence North 89°45' West 474.65 feet; thence North 0°15' East 100.00 feet parallel to Washington Boulevard; thence North 89"45' West 168.00 feet to the East line of Washington Boulevard and the point of beginning.

Contains 5.444 Acres

MEMBER OF AMERICAN SOCIETY OF CIVIL ENGINEERS / MEMBER OF UTAH COUNCIL OF LAND SURVEYORS

EXHIBIT "A-1"



Consulting Engineers and Land Surveyors

9,0. sex 9307
Ogden, Ulah
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Zip Code 84409
Sull Lake (801) 521-8529

January 16, 1986 Revised January 20, 1986

BOYER'S SHOPS PARCEL

### DESCRIPTION

Part of Lots 9, 10, 11, and 12, PLAT "B", NORTH OGDEN SURVEY, Weber County, Utah:

Beginning at a point on the West line of said Lot 10, 298.52 feet

South 0°15' West along the centerline of Washington Boulevard, and

66.00 feet South 89°45' East from existing Monument No. 13 at the centerline intersection of Washington Boulevard and 2600 North Street; running thence

South 89°45' East 125.00 feet; thence North 0°15' East 133.55 feet parallel to Washington Boulevard; thence West 16.98 feet; thence North 0°15' East parallel to Washington Boulevard 139 feet more or less (132.81 feet) to the South line of 2600 North Street; thence East a g said South line of Street 265.85 feet; thence South 0°15' West 359.80 feet along a driveway parallel to Washington Boulevard to the North line of proposed Smith's Building; thence

North 89°45' West 166.35 feet along the North line of the proposed

Smith's Store to the center of a driveway; thence North 0°15' East 28.80 feet along said driveway; thence North 89°45' West 207.51 feet along a driveway to the East line of Washington Boulevard; thence North 0°15' East along said East line of Washington Boulevard; thence North 0°15' East along said East line of Washington Boulevard; thence North 0°15' East along

Contains 2.232 Acres

EXRIBIT "A-2"

MEMBER OF AMERICAN SOCIETY OF CHAIR PROPRETES / MEMBER OF STAN SOCIETY OF LAND SUPPRETES



Consulting Engineers and Land Surveyors
P.O. Sex 9307
Ogden, Utah
Cly Code 84409
Ogden (801) 374-4515
Selt Lake (801) 521-8529

January 16, 1986

BOYER'S PAD "A"

### DESCRIPTION

Part of Lots 10 and 11, PLAT "B", NORTH OGDEN SURVEY, Weber County, Utah:
Beginning at a point on the West line of said Lot 11, 66.00 feet North

(36.40 feet North 0°15' East) of the Southwest corner of said Lot, said point
of beginning being 165.52 feet South 0°15' West along the centerline of

Washington Boulevard, and 66.00 feet South 89°45' East from existing Monument

No. 13 at the Centerline Intersection of Washington Boulevard and 2600 North

Street; running thence East 125.00 feet; thence South 0°15' West parallel to

Washington Boulevard 133.55 feet; thence North 89°45' West 125.00 feet to the

East line of Washington Boulevard; thence North 0°15' East along said East

line of Washington Boulevard 133.00 feet to the point of beginning.

Contains 0.382 Acres

at 1527 mg822

MEMBER OF AMERICAN SOCIETY OF CIVIL ENGINEERS / MEMBER OF UTAH COUNCIL OF LAND SURVEYORS

EXHIBIT "A-3"



Consulting Engineers and Land Surveyors

P.O. Bex 9307
Ogden, Utah
Zip Code 84409

Engineers and Land Surveyors

3503 Grent Avenue
Ogden (801) 394-4515
Salt Lake (801) 521-8329

January 16, 1986 Revised January 20, 1986

BOYER'S

# DESCRIPTION

Part of Lot 9, PLAT "B", NORTH OGDEN SURVEY, Weber County, Utah:

Beginning at a point on the West line of said Lot 9, being 708.51 feet

South 0°15' West along the enterline of Washington Boulevard, and 66.00

feet South 89°45' East from existing Monument No. 13 at the centerline

Intersection of Washington Boulevard and 2600 North Street; running thence

South 89°45' East 168.00 feet; thence South 0°15' West parallel to

Washington Boulevard 100.00 feet; thence North 89°45' West 168.00 feet to the East

line of Washington Boulevard at a point 576.64 feet North (580.17 feet

North 0°15' East) along said East line from the Southwest corner of said

Lot 9; thence North 0°15' East along said East line of Washington Boulevard

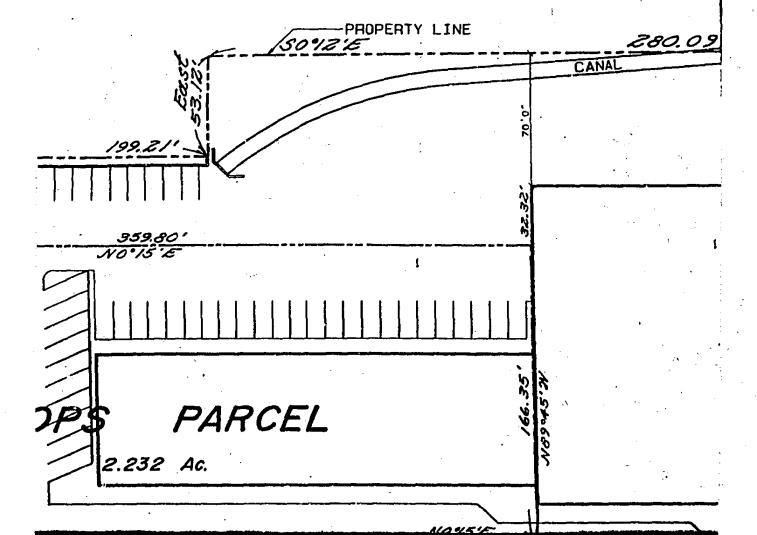
100.00 feet to the point of beginning.

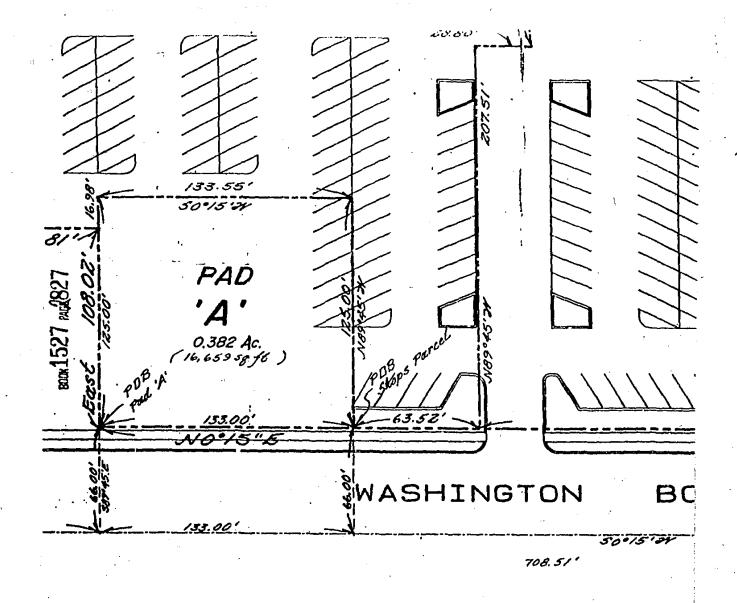
Contains 0.386 Acre

0x1527 pag823

NORTH STREET

50°/5°24





# EXHIBIT B

