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GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
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BY: SAM, DEPUTY - MI 49 P.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Costco Wholesale Corporation
999 Lake Drive
Issaquah, Washington 98027

Attn: Bruce Coffey

Space Above For Recorder's Use Only

CONSTRUCTION, OPERATION AND RECIPROCAL
EASEMENT AGREEMENT

By and Between

VFM-ALC LC, a Utah limited liability company , VFM-CPZ LC, a Utah limited liability
company , RIVER RIDGE VFM, L.L.C., a Utah limited liability company ,and HILL FIELD
HOLDING VFM, L.L.C., a Utah limited liability company

and

Costco Wholesale Corporation,
a Washington corporation

Location of Property: West Valley, Utah

CONSTRUCTION, OPERATION AND RECIPROCAL EASEMENT AGREEMENT

(West Valley, Utah)

This Construction, Operation and Reciprocal Easement Agreement ("REA") is made and entered into as of this 4th day of July, 2006 by and between and among VFM-ALC LC, a Utah limited liability company ("VFM-ALC"), VFM-CPZ LC, a Utah limited liability company ("VFM-CPZ"), RIVER RIDGE VFM, L.L.C., a Utah limited liability company ("RIVER RIDGE"), and HILL FIELD HOLDING VFM, L.L.C., a Utah limited liability company ("HILL FIELD HOLDING") (collectively, "Developer") and COSTCO WHOLESALE CORPORATION, a Washington corporation ("Costco").

RECITALS:

A. Developer is the owner, as tenants in common, of that certain real property, referred to herein as the "Developer Parcels", located in the City of West Valley, County of Salt Lake, State of Utah, which real property is more fully described on Exhibit A hereto and incorporated herein by this reference.

B. Developer is also the owner, as tenants in common, of that certain real property adjoining the Developer Parcels, which real property is referred to herein as the "Costco Parcels" and is more fully described on Exhibit B hereto and incorporated herein by this reference. Developer leases the Costco Parcels to Costco pursuant to a Ground Lease of concurrent date with this REA (the "Costco Ground Lease").

C. Developer currently operates a shopping center on the Developer Parcels known as the "Valley Fair Mall" (the "Shopping Center") and may in the future redevelop the Shopping Center. In connection with such redevelopment, Developer may demolish, construct, and/or remodel certain buildings, structures, or other improvements on the Developer Parcels, all in accordance with the provisions and limitations contained in this REA.

D. Costco intends to construct certain buildings on the Costco Parcel and to construct certain improvements on the Parking Area of the Costco Parcel, all in accordance with the provisions and limitations contained in the Costco Ground Lease and in this REA.

E. Developer may acquire that certain real property adjoining the Developer Parcels and the Costco Parcel, and designated as the "Church Parcel" on the Site Plan (attached hereto as Exhibit C), for future development as part of the Shopping Center.

F. The parties hereto recognize that for the optimum development and operation of the "Project" (as defined herein) it is necessary that they agree to certain matters, including, but

not limited to, matters relating to the construction and maintenance of facilities on, and the use and restrictions on the use of, the respective Parcels, and that in the absence of such agreements neither party hereto would be willing to undertake the development or operation of the respective Parcels, and the parties desire that all "Persons" (as defined herein) who acquire portions of the Project shall take subject to this Agreement in order that the development, redevelopment, and operation of the Project will be in conformity herewith. Accordingly, Developer and Costco intend to establish certain reciprocal easements, covenants and conditions with respect to their Parcels.

ARTICLE I

DEFINITIONS

1.1 Definitions.

(a) "Agreement" or "REA" shall mean this Construction, Operation and Reciprocal Easement Agreement, as such may be amended from time to time.

(b) "Building" or "Buildings" shall mean the building(s) or structure(s) now or hereafter located on a Parcel.

(c) "Building Area" shall mean the limited portions of the Project designated on the "Site Plan" (as defined herein) as the location for buildings, structures, or outdoor sales areas.

(d) "City" shall mean the City of West Valley, Utah.

(e) "Costco Building" shall mean the Building or Buildings located on the Costco Parcel.

(f) "Costco Control Area" shall mean the limited portion of the Shopping Center designated on the "Site Plan" (as defined herein) over which Costco has been granted certain elements of control, as more specifically described herein.

(g) "Costco Fueling Facility" shall mean the service islands, canopy structure, vending machines, or other incidental improvements associated with a fueling facility on the Costco Parcel.

(h) "Costco Parcel" is defined in Recital B. If the Costco Parcel initially comprises or is later subdivided into more than one legal lot, then the term Costco Parcel shall collectively refer to all such legal lots.

(i) "Costco Parking Area" shall mean the Parking Area within the Costco Parcel.

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(j) "Default Interest Rate" shall mean the lesser of: (i) five percent (5%) per annum in excess of the "Prime Rate," and (ii) the highest lawful rate. The "Prime Rate" shall be the prime or reference rate of interest announced as such from time to time by Bank of America, N.T.&S.A. or its successor for short-term, uninsured loans to its most creditworthy borrowers. If there shall be no such announced rate of such bank or its successor, then the "Prime Rate" shall be such equivalent rate as is charged from time to time by major money-center banks.

(k) "Developer" and "Costco" as used in this Agreement respectively refer to such Owners and their respective successors and assigns, and shall, so far as the terms, covenants, provisions and conditions of this Agreement to be kept, performed, observed and enforced by them are concerned, refer only to the Person who at the time in question is the Owner with respect to the respective Developer Parcel or Costco Parcel, as may be appropriate. Except as otherwise provided herein, if the Developer Parcel is subdivided, the term "Developer" shall refer to the entity which is the original "Developer" hereunder so long as such entity or an individual successor or assignee so designated in a recorded instrument is the owner of land within the Project and thereafter the term "Developer" shall be deemed to refer to the Owner of the largest parcel by land area within the Developer Parcels.

If there shall be more than one Owner of the land now comprising the Costco Parcel, the term "Costco" shall refer: (1) to Costco Wholesale Corporation, so long as Costco Wholesale Corporation is an Owner or lessee of any portion of the land now comprising the Costco Parcel, and (2) to those Owners collectively owning not less than 50.1% of the gross land area within the Costco Parcel if Costco Wholesale Corporation is no longer the Owner or lessee of any portion of the land now comprising the Costco Parcel.

(l) "Developer Parcels" are defined in Recital A. If the Developer Parcels are subdivided into additional legal lots, then the term "Developer Parcels" shall collectively refer to all of such legal lots.

(m) "Developer Parking Area" shall mean all Parking Area within the Project, other than the Costco Parking Area.

(n) "Floor Area" shall mean the aggregate number of square feet of floor space in the Project, from time to time, of all floors in any structure, whether roofed or not, whether or not actually occupied, including basement space and subterranean areas and balcony and mezzanine space, measured from the exterior faces or the exterior lines of the exterior walls (including basement walls) and the actual number of square feet of any outdoor area appropriated for use to display and/or sell merchandise as permitted hereunder. The term "Floor Area" shall not include any of the following:

(i) the upper levels of any multi-deck stock areas created for convenience to increase the usability of space for stock purposes;

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(ii) all truck and/or loading dock areas or the concrete apron or ramp leading to such areas, truck tunnels, truck parking, and turn around areas; and

(iii) all Parking Area;

(iv) the Costco Fueling Facility; or

(v) any sidewalk uses, outdoor sales areas, outdoor dining areas, or other uses on the Costco Parcel permitted under Section 5.2 herein.

(o) "Majority of the Developer Parcel Owners" shall mean those Owners collectively owning not less than 50.1% of the gross land area within the Developer Parcels in the aggregate. For example, if there are 58 acres in the Developer Parcels, then a Majority of the Developer Parcel Owners would be those Owners owning not less than an aggregate of 29.1 acres.

(p) "Mortgage" shall mean any first or second mortgage, indenture of first or second mortgage, or first or second deed of trust on the interest, whether fee or leasehold, of an Owner in a Parcel and, to the extent applicable, a "Sale and Leaseback" or "Assignment and Subleaseback" transaction as herein contemplated.

(q) "Mortgagee" shall mean a mortgagee, or trustee and beneficiary under a deed of trust and to the extent applicable, a fee owner or lessor or sublessor of any Parcel which is the subject of a lease under which any Owner becomes a lessee in a so-called "Sale and Leaseback" or "Assignment and Subleaseback" transaction.

(r) "Mortgagee" shall mean a mortgagee, or trustee and beneficiary under a deed of trust and to the extent applicable, a fee owner or lessor or sublessor of any Parcel which is the subject of a lease under which any Owner becomes a lessee in a so-called "Sale and Leaseback" or "Assignment and Subleaseback" transaction.

(s) "Owner" and "Owners" as used in this Agreement shall mean the Persons executing this Agreement, or their successors in interest as hereinafter provided, as shown by the Official Records of the Recorder's Office, as of the date of the exercise of powers or rights or the performance by such Owners of obligations created by this Agreement. Such reference shall include any Person designated in writing by any of the Owners to act in the manner and at the time provided herein with complete authority and in the place of such Owner in the matter for which action is taken, powers exercised or performance required, provided such written authority shall be recorded in the Recorder's Office, and provided further that:

(i) Sale. In the event of the assignment, transfer or conveyance of the whole of the interest of any of the Owners in and to the Parcel in which such Owner presently has an interest, without retaining any beneficial interest other than under the terms of a deed of trust or mortgage or without simultaneously acquiring a new interest by way of leasehold, life estate or other

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possessory interest, then the powers conferred upon such Owner shall be deemed assigned, transferred or conveyed and the obligations assumed with its interest in such Parcel;

(ii) **Sale Leaseback or Financing.** In the event the whole of the interest of such Owner in and to the Parcel in which it has a present interest is assigned, transferred or conveyed but a new interest is created in such Owner simultaneously with such assignment, transfer or conveyance by way of leasehold or similar possessory arrangement, or in the event such Owner shall convey its interest in said Parcel or any part thereof by deed of trust or other security instrument as security for indebtedness, then the following shall apply: (A) said fee owner and party in possession may designate (in the manner described in subsection (iv) below) that either (but not both) of them shall have the powers and obligations of the Owner with respect to such Parcel; (B) in the absence of such a designation all of said powers and obligations shall remain with the party retaining the possessory interest; and (C) the interest of both such fee owner and holder of such possessory interest shall remain subject to all of the terms and conditions hereof. In the event the interest of such Owner referred to in this subsection shall cease and terminate, then upon such termination the powers and/or obligations of such Owner shall vest in accordance with subsections (i), (iii) or (iv) hereof, whichever is applicable;

(iii) **Subdivision.** In the event a Parcel is divided into one or more separate legal lots, each of such separate legal lots shall thereafter be considered to be a "Parcel" and the owners of each such legal lot shall be an "Owner"; and no Parcel may be subdivided into condominium units. Any Parcel or Parcels subdivided as aforesaid shall remain subject to all terms and conditions of this Agreement, including without limitation, the requirement that a revised Site Plan must be approved by Costco and Developer prior to the construction of any buildings in any location other than within the Building Area;

(iv) **Fractional Interests.** In the event any of the Owners shall transfer its present interest in a Parcel or a portion of such interest in such manner as to vest its present interest in such Parcel in more than one Person other than by creation of a separate legal lot (e.g., by the creation of a tenancy-in-common, joint tenancy or the like), then not less than a fifty-one percent (51%) interest of such transferees shall designate one of their number to act on behalf of all of such transferees in the exercise of the powers granted to such Owner under this Agreement. So long as such designation remains in effect, such designee shall be an Owner hereunder and shall have the power to bind such Parcel and such transferees, and such transferees shall not be deemed to be Owners. Any such designation must be in writing and served upon the other Owners hereto by registered or certified mail, and must be recorded in the Recorder's Office. In the absence of such written designation, the acts of the Owner whose interest is so divided with respect to the exercise of the powers vested by this instrument shall be binding upon all Persons having an interest in such Parcel until such time as written notice of such designation is given and recorded in the Recorder's Office; and

(t) "Parcel" or "Parcels" shall mean each legal lot within the Shopping Center.

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(u) "Parking Area" shall mean those portions of the Parcels that are not used from time to time for Building(s), including (without limitation) those portions of the Parcels used for the parking of motor vehicles, incidental and interior roadways, pedestrian stairways, walkways, curbs and landscaping within or adjacent to areas used for parking of motor vehicles, together with all improvements to the Parking Area which at any time are erected thereon. Such areas shall not include truck and/or loading dock areas or the concrete aprons or ramps leading to any Building, nor shall such areas include the drive-up stacking area adjacent to the Costco Fueling Facility.

(v) "Permanent Access Easement" shall mean those areas of the Project designated as "Permanent Access Easement" on the Site Plan.

(w) "Permittees" shall mean the Owners, all Persons from time to time entitled to the use and occupancy of Floor Area in the Project under any lease, deed or other arrangement whereunder such Person has acquired a right to the use and occupancy of any Floor Area, and their respective officers, directors, employees, agents, contractors, customers, visitors, invitees, licensees and concessionaires.

(x) "Person" or "Persons" shall mean and include individuals, partnerships, firms, associations, limited liability companies, government agencies, joint ventures, corporations, or any other form of business entity.

(y) "Project" or "Shopping Center" shall mean the property consisting of the Developer Parcels and the Costco Parcel and the Church Parcel (from and after the date Developer acquires title to, or any other interest in and to, the Church Parcel).

(z) "Site Plan" shall mean that certain plan or plans attached hereto as **Exhibit C** and incorporated herein by this reference. Any revisions, modifications or other changes to the Site Plan requested by an Owner, to the extent located within the Costco Control Area, shall require the prior approval of Costco and a Majority of the Developer Parcels Owners, which approval shall not be unreasonably withheld, conditioned, or delayed.

ARTICLE II

CONSTRUCTION OBLIGATIONS

2.1 **Interference by Construction.** Each Owner agrees that any construction work to be undertaken by it shall be performed (a) so as not to cause any increase in the cost of constructing the remainder of the Project or any part thereof, (b) so as not to unreasonably interfere with any construction work being performed on the remainder of the Project, or any part thereof, and (c) so as not to unreasonably interfere with and minimize disruptions of the access to, use, occupancy or enjoyment of the remainder of the Project or any part thereof by the other Owner and the Permittees of the other Owner. Except to the extent limited by Section 2.2, any damage occurring to any portion

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of the Project as a result of such construction work shall be the responsibility of the Owner performing such construction work or causing such construction work to be performed and shall be repaired by such Owner, at such Owner's sole cost and expense, to the same condition as existed immediately prior to such damage promptly upon the completion of such construction work.

2.2 **Construction Indemnities.** Each Owner covenants and agrees to indemnify, defend, protect and hold harmless the other Parcels and the other Owner for, from and against all claims and all costs, losses, damages, expenses and liabilities (including reasonable attorneys' fees and costs) incurred in connection with all claims, including any action or proceedings brought thereon, arising from or as a result of any mechanic's liens, stop notices, or other claims regarding materials supplied or work performed, or the death of, or any accident, injury, loss or damage whatsoever caused to any natural person, or to the property of any Person, as shall occur by reason of the performance of any construction, or of any Utility Use as defined in Section 3.1(e) herein, by or at the request of the indemnitor, except to the extent of claims caused by the negligence, recklessness or willful misconduct of the indemnitee, its licensees, concessionaires, agents, servants or employees, or any agents, servants or employees of such licensees or concessionaires where the same may occur.

The indemnitee shall give the indemnitor notice of any suit or proceeding entitling the indemnitee to indemnification pursuant to this Section 2.2 and the indemnitor shall defend the indemnitee in such suit or proceeding with counsel approved by the indemnitee.

2.3 **Cost of Construction.** Except as otherwise set forth in this Agreement or in any separate agreement between one or more Owners, each Owner shall be responsible for the cost and expense of all improvements to be constructed on its Parcel.

2.4 **Signs.** Each Owner may place such sign or signs on the exterior of the Building(s) on its Parcel(s) as shall be permitted by applicable governmental requirements. In addition, subject to the terms of this Agreement, each Owner may place such freestanding signs on its Parcel as shall be permitted by applicable governmental requirements. Notwithstanding the foregoing, however, before the Owner of the Costco Parcel places a freestanding sign on the Costco Parcel, the Owner of the Costco Parcel shall obtain written certification from the appropriate governmental authority that the placement of the sign on the Costco Parcel shall not in anyway prohibit or limit placement of signs on the Developer Parcels. Additionally, Developer shall have the right to place a monument sign at the locations depicted on the Site Plan; provided, however that Developer shall have the sole responsibility to construct, maintain, and repair such signs, which shall be done in a manner that does not unreasonably interfere with the use and operation of the Costco Parcel; and provided, further, that prior to the construction of such sign(s), Developer shall obtain the prior written consent of the Owner of the Costco Parcel of the design and content (if for other than "directional" information and/or tenant identification purposes) of such sign(s).

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2.5 Temporary License. Each Owner hereby grants to each other Owner and its respective contractors, materialmen and laborers a temporary license for access and passage over and across the Parking Area of the grantor's Parcel as shall be reasonably necessary for the grantee to construct and/or maintain improvements upon the grantee's Parcel; provided, however, that such license shall be in effect only during periods when actual construction and/or maintenance is being performed, and provided further that the use of such license shall not unreasonably interfere with the use and operation of the Parking Area by others. Prior to exercising the rights granted herein, the grantee shall first provide the grantor with a written statement describing the need for such license, and shall furnish a certificate of insurance showing that its contractor has obtained the same liability insurance as each Owner is required to carry pursuant to Section 9.3 of this Agreement. Any Owner availing itself of the temporary license shall promptly pay all costs and expenses associated with such work, shall diligently complete such work as quickly as possible, and shall promptly clean the area and restore the affected portion of the Parking Area to a condition which is equal to or better than the condition which existed prior to the commencement of such work. Notwithstanding the foregoing, in the event a dispute exists between the contractors, laborers, suppliers and/or others connected with construction activities, each Owner shall have the right to prohibit the contractors, laborers, suppliers and/or others working for another Owner from using the Parking Area on its Parcel.

ARTICLE III

EASEMENTS

3.1 Easements. Each Owner hereby grants and conveys to each of the other Owners, for the benefit of the other Owners and their respective Parcels, the following easements in, to, over, and across each other Owner's Parcel:

(a) Parking Easements. Each Parcel and Owner shall have a nonexclusive easement in, to, over and across the Parking Area on the other Owners' Parcels, for the purpose of parking vehicles of Permittees thereon, limited, however, to purposes connected with or incidental to use of such parking for Project purposes.

(b) Access Easement. Each Parcel and Owner shall have nonexclusive easements in, to, over and across the Permanent Access Easement located on each other Owner's Parcel for vehicular (including service vehicles) and pedestrian ingress and egress, and the right of access between the public streets adjacent to the Project and each Owner's Parcel; provided, however, that after the Costco Building has opened for business to the public, Developer shall not use the "Costco Access Drives" designated on the Site Plan for construction access, ingress, or egress (such restriction applies to heavy machinery and/or other construction vehicles, including vehicles of workers), unless consented to (in writing) by the Owner of the Costco Parcel (such consent not to be unreasonably withheld). With respect to the Costco Access Drives, prior to any use or occupancy of any Building on the Costco Parcel, Costco shall, at its sole cost and expense, construct the Costco

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Access Drives. Once constructed, the Costco Access Drives shall not be altered, modified or changed in any way without the consent of a Majority of the Developer Parcels Owners. With respect to the “Developer Access Drive” depicted on the Site Plan, prior to December 31, 2008 (the “Completion Date”), Developer shall, at its sole cost and expense, construct the Developer Access Drive. In the event Developer fails to complete construction of the Developer Access Drive by the Completion Deadline, Costco shall have the right (but not the obligation), at Costco’s sole cost and expense, but subject to reimbursement from Developer as provided herein, to construct the Developer Access Drive. Once constructed, the Developer Access Drive shall not be altered, modified or changed in any way without the consent of Costco. Promptly following Costco’s completion of the Developer Access Drive, and Developer’s receipt of copies of paid invoices evidencing the costs incurred by Costco in connection with the construction of the Developer Access Drive, Developer shall reimburse such costs to Costco. In the event Developer fails to reimburse Costco for such costs within thirty (30) days following Developer’s receipt of the paid invoices evidencing such costs, Costco shall be entitled to offset the amount of such costs incurred against the rent and other charges owing under the Costco Ground Lease until such amount has been reimbursed in full.

(c) Drainage. Each Parcel and Owner shall have nonexclusive easements in, to, over, under and across the other Owner’s Parcel for reasonable drainage purposes.

(d) Utilities.

(i) Each Parcel and Owner shall have nonexclusive easements in, to, over, under and across those portions of the Parking Area beneath the ground surface within each other Owner’s Parcel for the benefit of and appurtenant to the grantee’s Parcel for the purposes of installation, repair, maintenance, removal, replacement, use and operation (individually and collectively herein referred to as “Utility Use”) of sanitary sewers, storm drains, water and gas pipes and systems, electrical power conduits, telephone conduits, lines and wires, and other public utilities (individually and collectively “Utility Lines”) at a location or locations reasonably approved in writing by the applicable Owner; provided that in the performance of such Utility Use: (A) adequate provision shall be made for the safety and convenience of all persons using the surface of such areas; (B) all work shall be completed as quickly as possible and the areas and facilities shall be replaced or restored promptly to the condition in which they were prior to the performance of such Utility Use; (C) all costs, fees and expenses incurred as a result of such Utility Use shall be borne solely by the Owner which undertakes such Utility Use; (D) the other Owner shall be notified in writing not less than thirty (30) days prior to commencement of such Utility Use except in the event of an emergency or other circumstances requiring immediate action; (E) the schedule for the performance of such Utility Use shall be subject to the reasonable approval of the other Owner (it being acknowledged that it shall be reasonable for the other Owner to disapprove any Utility Use constituting installation, repairs or maintenance during the months of October, November and December which is not occasioned by an emergency, if the disapproving Owner has, or intends to have, an operating business on its Parcel during any such month, and such Utility Use would result in disruption of the access to, use, occupancy or enjoyment of the disapproving Owner’s Parcel); and (F) any work

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performed pursuant to such easement rights shall also be subject to Sections 2.1 and 2.2 above (including, without limitation, the constructing Owner's obligations to minimize disturbances). Prior to the performance of any such work, the grantee Owner shall provide the grantor Owner with a certificate of insurance evidencing that its contractor has obtained the minimum insurance coverages required pursuant to Section 9.3 of this Agreement.

(ii) The grantee of any easement for Utility Use shall be responsible, at its sole cost and expense, for the installation, maintenance, repair and removal of all utility facilities installed by the grantee within the utility easements, as well as for all utility facilities installed by the grantee on its Parcel, unless the same are maintained by a utility company or governmental agency. After initial installation is completed, any installation, maintenance, repair, replacement, relocation and removal of utility facilities that is required to be performed by a grantee Owner must be performed by such Owner and then only after two (2) weeks' advance notice to the grantor of the grantee Owner's intention to do such work. However, in the case of an emergency, any such work may be immediately performed after such advance notice to the other Owners as is practicable under the circumstances. All such installation, maintenance, repair and removal shall be performed in a manner that causes as little disturbance to the Parcels as may be practicable under the circumstances, and any and all portions of the surface area of a grantor Owner's Parcel which may have an excavated, damaged or otherwise disturbed as a result of such work shall be restored at the sole cost and expense of the Owner performing the work to essentially the same condition as the same were in prior to the commencement of any such work.

3.2 Unimpeded Access Between Parcels. The Owners covenant that at all times free access between each Parcel and the remainder of the Project will not be impeded and will be maintained. Except as specifically depicted on the Site Plan or as may be approved in writing by Costco and Developer, no fence, division, partition, rail, or obstruction of any type or kind shall ever be placed, kept, permitted, or maintained between the legal lots comprising the Project or between any subsequent division thereof or upon or along any of the common property lines of any portion thereof, except as may be required at any time and from time to time in connection with the construction, maintenance, and repair of the Parking Area.

3.3 Use by Permittees. The use of all easements provided for in this Article, and the use of the entire Parking Area will, in each instance, be nonexclusive and irrevocable, and for the use and benefit of all Permittees.

3.4 Unauthorized Use and Closure of Parking Area. Each Owner hereby reserves the right to eject or cause the ejection from the Parking Area on its Parcel of any Person or Persons not authorized, empowered or privileged to use the Parking Area pursuant to this Agreement. Each Owner also reserves the right to close off the Parking Area on its Parcel for such reasonable period or periods of time as may be legally necessary to prevent the acquisition of prescriptive rights by anyone; provided, however, that prior to closing off any portion of the Parking Area, such Owner shall give written notice to the other Owners of its intention to do so, and shall coordinate such

closing with the other Owners so that no unreasonable interference with the operation of the Project shall occur.

3.5 **Prohibition Against Granting Easements.** No Owner, nor any Person not an Owner, shall grant an easement or easements of the type set forth in this Article III for the benefit of any property not within the Project at the time of such grant; provided, however, that the foregoing shall not (a) prohibit Developer from extending the easements granted in this Article III to the Church Parcel (from and after the date such parcel, or any interest therein, has been acquired by Developer), nor (b) prohibit an Owner from granting or dedicating underground utility easements on its Parcel to governmental or quasi-governmental authorities or to public utilities.

ARTICLE IV

PROJECT DEVELOPMENT RESTRICTIONS

4.1 **Building Area.** No Owner shall suffer or permit any buildings, structures or outdoor sales areas to be built or maintained other than in the Building Area on their respective Parcels. Without limitation upon the foregoing, all appurtenant signs, entrances, marquees, canopies, lights, awnings, wing walls, roof flashing, roof and building overhangs, above-ground supports, loading docks, truck ramps and other outward extensions of buildings shall be built or maintained only in such Building Area.

4.2 **Building Limitations.** Unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area), Developer shall be permitted to construct, or cause to be constructed, such buildings, structures or outdoor sales areas, in the locations and exterior configurations within the Building Area located on the Developer Parcels as such Owner selects; provided that the same (i) do not materially impair the ingress to, or egress from, the Costco Parcel and the Developer Parcels, (ii) conform to all of the provisions of this Agreement, including (without limitation) this Article IV, (iii) are built in accordance with all set backs, zoning and other ordinances of any governmental entity having jurisdiction, and (iv) the orientation of the entrance(s) to the proposed building are such as to make it severally more convenient for the Permittees of such building occupant to park on the Parcel on which such building is located rather than on other Parcel(s).

4.3 **Parking Area Limitations.** Except as provided in Section 5.2(c) herein, and unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area), no improvements may be built or maintained in the Parking Area other than parking lots, driveways, lights, signs, landscaping, underground utilities and improvements normally found in a parking lot, and no portion of the Parking Area may be used for any purpose other than the parking of vehicles and vehicular and pedestrian ingress and egress.

4.4 **Separate Operation.** There shall be differences in grade, barriers (except for emergency vehicle access points) between the Project and any contiguous property so that the parking areas on the Project shall not be readily accessible to the users of any other property. Each Owner shall post such signs and implement such rules and regulations and enforcement means as shall be reasonably necessary in order to restrict the use of the Project to the Project's customers and invitees of the Project, and the Owners shall cooperate with each other in enforcing such exclusive use of the Project.

4.5 **Parking Ratio and Standards.**

(a) **Minimum Parking Widths.** The Owners covenant with each other that notwithstanding the applicable requirements of any governmental agency having jurisdiction over the Project, the parking spaces in the Parking Area of any Parcel, to the extent they are located within the Costco Control Area, shall not be less than eight feet, six inches (8' 6") in width and eighteen feet (18'-0") in length, and the drive aisles between the parking spaces shall not be less than twenty-four feet (24'-0") in width.

(b) **Employee Parking; Fees.** The employees of each occupant of the Developer Parcels shall be required to park on the Developer Parcels, and the employees of each occupant of the Costco Parcel shall be required to park on the Costco Parcel. Each Owner shall use all reasonable efforts to cause the employees of all occupants of its Parcel to comply with the foregoing employee parking requirements. There shall be no fees or charges imposed upon users of the parking areas of the Parking Area unless a fee program has been approved in writing by both Costco and Developer, each in their sole, absolute and unrestricted discretion. No designation of "Reserved" spaces may exceed five percent (5%) of the parking spaces on any Parcel.

(c) There shall be maintained at all times on the Parking Area on each Parcel a number of parking spaces at least equal to the number of spaces which would be legally required for the Building sizes and uses on such Parcel if such Parcel were not benefited by any parking rights over any other parcels and no variances or exemptions from legal requirements were applicable.

(d) Without limitation upon the preceding subsection, there shall be maintained at all times on each Parcel, to the extent the Parking is located within the Costco Control Area, not less than four (4) parking spaces for each one thousand (1,000) square feet of Floor Area utilized on such Parcel.

4.6 **Drive-Up Stacking.** Without limitation upon the Site Plan approval or other provisions of this Agreement, and unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area), if a business use contains a drive-up service window or machine (such as a remote banking teller, automated teller machine or food ordering/dispensing facility), then the Owner of the Parcel on which such use occurs shall provide in such Parcel a vehicle stacking lane or aisle which provides for the stacking of not less than five (5) automobiles for each drive-up unit, which automobile stacking lane or configuration shall not impair

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the access to or use of any parking spaces or driveways. Nothing in this Section 4.8 shall be deemed to apply to fuel islands or pumps located in any vehicle fueling station in the Project.

4.7 **Church Parcel.** In the event that Developer acquires the Church Parcel, the Church Parcel shall, immediately and automatically upon conveyance to Developer, become subject to the terms and conditions of this REA and Developer shall promptly thereafter record such documents as may be necessary to subject the Church Parcel to this REA. In addition to other restrictions set forth herein which are generally applicable to the Project, the Church Parcel shall be considered part of the Costco Control Area and shall be subject to all restrictions applicable to the Costco Control Area. Additionally, any Building constructed on the Church Parcel shall be subject to the following restrictions (which may be waived by Costco in writing):

(a) There shall be maintained at all times on the Church Parcel not less than four (4) parking spaces for each one thousand (1,000) square feet of Floor Area utilized on the Church Parcel.

(b) Any Building constructed on the Church Parcel that has an entrance facing to the east shall not have an entrance within one hundred (100) feet of the western boundary of the Costco Parcel..

(c) Any Building constructed on the Church Parcel within one hundred (100) feet from the western boundary of the Costco Parcel shall not have an east-facing entrance.

(d) Any Building constructed on the Church Parcel with Floor Area of over twenty thousand (20,000) square feet shall not have an entrance within one hundred (100) feet of the western boundary of the Costco Parcel.

(e) The loading docks for any Building constructed on the Church Parcel shall be located at least one hundred (100) feet from the western boundary of the Costco Parcel.

(f) For purposes of this Section 4.7, a fire exit or controlled employee entrance shall not be considered an entrance.

ARTICLE V

USE RESTRICTIONS

5.1 **Prohibited Uses.** No use or operation will be made, conducted or permitted on or with respect to all or any part of the Project, which use or operation is obnoxious to, or out of harmony with, the development or operation of retail or wholesale facilities, including but not limited to, the following:

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- (a) any public or private nuisance;
- (b) any noise or sound that is objectionable due to intermittence, beat, frequency, shrillness or loudness;
- (c) any obnoxious odor;
- (d) any excessive quantity of dust, dirt, or fly ash; provided however, this prohibition shall not preclude the sale of soils, fertilizers, or other garden materials or building materials in containers if incident to Costco's operation or to the operation of a home improvement or general merchandise store;
- (e) any fire, explosion or other damaging or dangerous hazard, including the storage, display or sale of explosives or fireworks, but the foregoing shall not prohibit (i) the operation of a vehicle fueling station or propane sales facility in accordance with applicable law; or (ii) the sale of fireworks on a temporary basis in connection with civic holidays conducted within the confines of a building containing at least 25,000 square feet of Floor Area operated by a national chain unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);
- (f) any distillation (other than so-called micro brewing of beer), refining, smelting, agriculture or mining operations;
- (g) any mobile home or trailer court, labor camp, junk yard, stock yard or animal raising. Notwithstanding the foregoing, pet shops shall be permitted within the Project;
- (h) any drilling for and/or removal of subsurface substances;
- (i) any dumping of garbage or refuse, other than in enclosed receptacles intended for such purpose (but the same does not prohibit government-required consumer recycling facilities);
- (j) any cemetery, mortuary or similar service establishment;
- (k) any automobile, truck, trailer, or recreational vehicle sales, leasing or display that is not entirely conducted inside of a Building, except as provided in Section 5.2(c)(v) or (vii);
- (l) any fire sale, bankruptcy sale (unless pursuant to a court order) or auction operation;
- (m) any bar, tavern, restaurant or other establishment that has more than thirty percent (30%) of its gross sales derived from the sale of wine, beer or other alcoholic beverages;
- (n) any apartment, home or other residential use unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);

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- (o) any body and fender repair work;
- (p) any church, synagogue, mosque or other place of worship;
- (q) any hotel, motel or other lodging facility, unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);
- (r) any business offices (except as an incidental use to a permitted retail or commercial business or as allowed by Section 5.1(s)) unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area). Notwithstanding the foregoing, retail offices (e.g., consumer banks, brokerage offices, small medical offices and the like) shall not be prohibited;
- (s) any industrial use so long as either the Developer Parcels or the Costco Parcel is used for retail and/or wholesale sales;
- (t) any theater or cinema, unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);
- (u) any entertainment, recreation or amusement use, whether directed to children or adults unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);
- (v) any off-track betting facility, casino, card club, bingo parlor, or other similar use or any use requiring the granting of a "sexually oriented business" or other similar license in order to operate;
- (w) any school, training, educational or day care facility, including but not limited to: beauty schools, barber colleges, nursery schools, diet centers, reading rooms, places of instruction or other operations catering primarily to students or trainees rather than to customers unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area); provided however, this prohibition shall not be applicable to on-site employee training by an occupant incidental to the conduct of its business at the Project;
- (x) any full service restaurants, unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);
- (y) any fast food restaurants, unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);
- (z) any car washes, motor vehicle fuel or service stations, or the displaying, repairing, renting, leasing, or sale of any motor vehicle, boat, or trailer unless located outside of the

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Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area); except any such operation within the Project associated with the occupant of the Costco Parcel, including, without limitation, the Costco Fueling Facility.

(aa) any business with drive-up or drive-through lanes, unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);

(bb) any second-hand or thrift stores, or flea markets.

(cc) any dry cleaning facilities utilizing hazardous substances with an on-premises plant unless located outside of the Costco Control Area, or consented to in writing by Costco (if within the Costco Control Area);.

5.2 Non-Interference with Parking Area. In order to provide for the orderly development and operation of the Project:

(a) Except as provided in Section 5.2(c) herein, no Owner shall permit any display or sale of merchandise, or any storage or placement of merchandise, portable signs or other objects belonging to an occupant of said Owner's Parcel outside the defined exterior walls, roof and permanent doorways of any Building; provided, however, that this restriction shall not apply to any outdoor sales area that is located within a Building Area.

(b) No Owner shall permit any occupant of said Owner's Parcel to carry any merchandise or substance or to perform any activity in relation to the use of such Owner's Parcel which would (i) cause or threaten the cancellation of any insurance covering any portion of the Project or (ii) increase the insurance rates applicable to the Parking Area or the Buildings on the other Owner's Parcel over the rates which would otherwise apply unless such occupant shall pay the increased insurance cost on demand.

(c) The restrictions under Section 5.1, Section 5.2(a) or elsewhere within this Agreement shall not be deemed to prohibit (i) the use by an Owner of the sidewalks on its Parcel(s) for the storage of its shopping carts; (ii) the use by an Owner of the Parking Areas on its Parcel(s) for the storage of shopping carts, so long as such cart storage does not reduce the number of parking spaces on such Parcel(s) below the minimum parking ratio requirements under Section 4.5 above; (iii) the use by an Owner of the sidewalk area on it's the Owner's Parcel(s) adjacent to its Building for food or merchandise sales or as an outdoor dining area; (iv) the use by an Owner of any portion of the Owner's Parcel(s) for one or more permanent outdoor sales areas so long as such permanent outdoor sales areas do not reduce the number of parking places on the Owner's Parcel(s) below the minimum parking ratio requirements under Section 4.5 above; (v) the use by an Owner of the Parking Areas on the Owner's Parcel(s) for one or more temporary outdoor sales areas so long as such temporary outdoor sales areas do not reduce the number of parking places available on the Owner's Parcel(s) below ninety-five percent (95%) of the minimum parking ratio requirements under Section 4.5 above; (vi) the operation of a Costco Fueling Facility on the Costco Parcel; (vii) the use

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by an Owner of the Parking Area of it's the Owner's Parcel(s) for a vehicle sales or brokerage program including the display for sale by an Owner within the Parking Area on the Owner's Parcel(s) of up to five (5) vehicles for sale; and (viii) the use by an Owner of the Parking Area for other temporary promotional activities which do not, together with any temporary outdoor sales referred to in clause (v) above, reduce the available parking on the Owner's Parcel(s) below ninety-five percent (95%) of the minimum parking ratio requirements under Section 4.5 above.

5.3 **Exclusive Use.** No portion of the Shopping Center (or any real property that in the future may become part of the Shopping Center) shall be used or operated as a "Wal-Mart" store, or "Wal-Mart Supercenter", or any other store operated under the "Wal-Mart" brand, including (without limitation) "Sam's Club", or any other membership warehouse club not operated by Costco Wholesale (or an affiliate). Each person who currently owns or in the future acquires title to property subject to this exclusive use provision acknowledges that the breach of the foregoing exclusive use provision may cause immediate and irreparable harm for which damages are not an adequate remedy and that, to protect against such harm, any party benefited by this exclusive use provision may seek and obtain from a court of competent jurisdiction the issuance of a restraining order or injunction to prohibit any actual or threatened breach. Such an action for a restraining order or injunction is in addition to and does not limit any and all other remedies provided by law or equity.

ARTICLE VI

MAINTENANCE OF IMPROVEMENTS

6.1 **Maintenance of Buildings.** Except as otherwise set forth herein, each Owner shall at all times during the term of this Agreement, at its sole cost and expense, maintain, or cause to be maintained, the exterior of Buildings from time to time located on such Owner's Parcel, in good repair, clean condition and free of trash and debris and graffiti, reasonable wear and tear excepted, subject to Article VII.

6.2 **Maintenance of Parking Area.** Except as otherwise set forth herein, each Owner shall at all times during the term of this Agreement, at its sole cost and expense, maintain and repair the Parking Area and the Permanent Access Easement area located on such Owner's Parcel and keep it in good condition and repair, clean, free of rubbish and other hazards to persons using such area, properly lighted and landscaped (in accordance with City approved landscaping plans). Notwithstanding the foregoing, the Owner of the Costco Parcel shall, at its sole cost and expense, maintain and repair the Costco Access Drives (even though a portion of such drives are located on the Developer Parcels). Any unimproved Parking Area shall be kept dust and litter-free. The minimum standard of maintenance for the improved Parking Area shall be comparable to the standard of maintenance followed in other first-class developments of comparable size in the Salt Lake City metropolitan area and in compliance with all applicable governmental laws, rules, regulations orders and ordinances, and the provisions of this Agreement. All Parking Area and Permanent Access Easement improvements shall be repaired or replaced with materials at least equal

to the quality of the materials being replaced or replaced so as to maintain the architectural and aesthetic harmony of the Project as a whole.

6.3 **Certain Maintenance Responsibilities.** The maintenance and repair obligations of each Owner hereunder with respect to its Parcel(s) shall include, but shall not be limited to, the following:

(a) **Drive and Parking Areas.** Maintaining, cleaning and replacing all paved surfaces and curbs in a smooth and evenly covered condition; such work shall include, without limitation, sweeping, restriping, resealing, resurfacing, and removal of snow and ice (as applicable).

(b) **Debris and Refuse.** Periodic removal of all papers, debris, filth, refuse, ice and snow, including sweeping to the extent necessary to keep the Parking Area in a first-class, clean and orderly condition. All sweeping shall be at appropriate intervals during such times as shall not interfere with the conduct of business or use of the Parking Area by persons intending to conduct business with occupants of the Project.

(c) **Sign and Markers.** Placing, cleaning, keeping in repair, replacing and repainting any appropriate directional signs or markers, including any handicapped parking signs.

(d) **Lighting.** Maintaining, cleaning and replacing Parking Area lighting facilities, including lamps, ballasts and lenses.

(e) **Obstructions.** Keeping the Parking Area free from any obstructions including those caused by the sale or display of merchandise, unless such obstruction is permitted under the provisions of this Agreement.

(f) **Sidewalks.** Maintaining, cleaning and replacing of all sidewalks, including those adjacent and contiguous to buildings located within the Project. Sidewalks shall be cleaned, swept, and kept clear of snow and ice (as applicable) at appropriate intervals during such times as shall not interfere with the conduct of business or use of the Parking Area.

(g) **Landscaping.** Maintaining, irrigating and replacing landscaping and keeping landscape irrigation systems in good condition and repair.

ARTICLE VII

DAMAGE TO IMPROVEMENTS

7.1 **Restoration of Parking Area.** In the event of any damage or destruction to the Parking Area on any Parcel, whether insured or uninsured, the Owner with respect to such Parcel shall

restore, repair or rebuild such Parking Area with all due diligence as nearly as possible to at least as good a condition as it was in immediately prior to such damage or destruction.

7.2 **Restoration of Buildings.** In the event of damage to or destruction of the Building(s) on an Owner's Parcel, such Owner may, but shall not be obligated to, restore and reconstruct such Building(s). In the event an Owner so elects, such Owner shall restore and reconstruct such Building(s) to at least as good a condition as it or they were in immediately prior to such damage or destruction. All such restoration and reconstruction shall be performed in accordance with the following requirements, as the same are applicable thereto:

(a) No such work shall be commenced which would alter the Parking Area from the plans originally approved therefor unless the Owner desiring to perform the same has in each instance complied with the appropriate provisions of Article II with respect to plan approval;

(b) All work shall be performed in a good and workmanlike manner in accordance with Section 2.1, and shall be done such that the Parking Areas and Buildings affected continue to conform to and comply with:

- (i) all applicable requirements of laws, codes, regulations and rules; and
- (ii) all applicable requirements of this Agreement.

(c) All such work shall be completed with due diligence, and at the sole cost and expense of the Owner performing the same.

7.3 **Clearing of Premises.** Whenever an Owner elects not to restore, repair or rebuild its Building(s) that has or have been damaged or destroyed, such Owner, at its sole cost and expense, and as soon as reasonably possible, shall raze such Building(s) or such part thereof as has or have been damaged or destroyed, clear the premises of all debris, and all areas not restored to their original use shall, at the expense of such Owner, be leveled, cleared and improved with, at the option of the Owner of such Parcel, either landscaping or parking area, of like standard and design as the Parking Area of the Project.

7.4 **Costco Ground Lease Controls.** Notwithstanding anything seemingly to the contrary in this Article VII, the Damage or Destruction provisions set forth in Section 6 of the Costco Ground Lease shall control with respect to the Costco Parcel.

ARTICLE VIII

EMINENT DOMAIN

In the event any part of the Project, including the Parking Area, shall be taken by eminent domain or any other similar authority of law, the entire award for value of the land and improvements so taken shall belong to the Owner whose property was so taken or its tenants, as their leases may provide, and the other Owner (or Owners, as the case may be) shall not claim any portion of such award by virtue of any interests created by this Agreement. However, the other Owner (or Owners, as the case may be) may file a claim with the condemning authority over and above the value of the property so taken to the extent of any damage suffered by such Owner (or Owners, as the case may be) resulting from the severance of such area taken. The Owner whose property was so condemned shall promptly repair and restore in accordance with this Agreement the remaining portion of its Parcel as nearly as practicable to the condition existing just prior to such condemnation without contribution from the other Owners.

Notwithstanding anything seemingly to the contrary in this Article VIII, the Condemnation provisions set forth in Section 8 of the Costco Ground Lease shall control with respect to the Costco Parcel.

ARTICLE IX

GENERAL PROVISIONS

9.1 Realty Taxes and Assessments. Each Owner shall, at its sole cost and expense, pay when due all real estate taxes and assessments which may be levied, assessed, or charged by any public authority against such Owner's Parcel, the improvements thereon or any other part thereof including, without limitation, the Parking Area on its Parcel. In the event an Owner shall deem any real estate tax or assessment (including the rate thereof or the assessed valuation of the property) to be excessive or illegal, such Owner shall have the right, at its own cost and expense, to contest the same by appropriate proceedings, and nothing contained in this section shall require such Owner to pay any such real estate tax or assessment so long as (a) no other Owner's Parcel would be immediately affected by such failure to pay (or bond), and (b) the amount or validity thereof shall be contested in good faith. If the failure to pay (or bond) such tax would affect another Owner's Parcel, such other Owner shall have the right to pay such tax and shall have a lien on the nonpaying Owner's Parcel for the amount so paid until reimbursed for such payment. Any such lien shall be subject to and junior to, and shall in no way impair or defeat the lien or charge of any Mortgagee.

9.2 Indemnification. Each Owner shall indemnify, defend, and save the other Owners harmless for, from and against any and all demands, liabilities, damages, expenses, causes of action, suits, claims, and judgments, including reasonable attorneys' fees and costs, arising from injury or death to person or damage to property that occurs on the indemnifying Owner's Parcel. An Owner

shall not be entitled to such indemnification for any damage caused to such Owner by reason of its negligence, recklessness or willful misconduct or the negligence, recklessness or willful misconduct of such Owner's agents, servants, contractors or employees.

9.3 **Liability Insurance.** Each Owner (and their respective contractor(s) from time to time) shall, severally, at all times during the term of this Agreement, maintain or cause to be maintained in full force and effect an "Occurrence Based" commercial general liability insurance policy covering its Parcel, with an insurance company or companies having an A.M. Best (or equivalent) rating of A- or better, including coverage for any accident resulting in bodily injury to or the death of any person and consequential damages arising therefrom, and a comprehensive property damage insurance policy, each in an amount not less than \$5,000,000, as such amount is adjusted pursuant hereto, per occurrence and including coverage of the contractual liability contained in Section 9.2 above. Each Owner's commercial general liability policy with respect to the Parking Area on its Parcel shall name each other Owner as an additional insured. Each Owner shall furnish to each other Owner requesting the same in writing evidence that the insurance referred to in this Section 9.3 is in full force and effect. Such insurance shall provide that the same may not be canceled, reduced below the required minimum or materially amended without at least thirty (30) days prior written notice being given by the insurer to all other Owners. The aforesaid \$5,000,000 coverage limit shall be reviewed, and if appropriate, adjusted, on each fifth anniversary of the date of recordation of the REA by the change in the Consumer Price Index (or comparable successor index) for the area in which the Shopping Center is located.

9.4 **Blanket Insurance.** Any insurance required to be carried pursuant to this Article IX may be carried under a policy or policies covering other liabilities and locations of an Owner; provided, however, that such policy or policies apply to the Parcels required to be insured by this Article IX in an amount not less than the amount of insurance required to be carried by such Owner with respect thereto, pursuant to this Article IX which shall contain a per location endorsement.

9.5 **Release and Waiver of Subrogation.** Each Owner for itself releases the other Owner from and, to the extent legally possible for it to do so on behalf of its insurer, hereby waives any liability for any loss or damage to its property located upon the Project, which loss or damage is of the type covered by fire and extended coverage insurance described in this Article IX, irrespective of any negligence on the part of the other Owner which may have contributed to or caused such loss. If the waiver of subrogation is not effective, each Owner covenants that it will obtain for the benefit of the other Owner an express waiver of any right of subrogation that the insurer of such Owner may acquire against the other Owner by virtue of the payment of any such loss covered by such insurance.

In the event any Owner (a "Non-Waiver Owner") is by law, statute or governmental regulation unable to obtain a waiver of the right of subrogation for the benefit of the other Owner, then, during any period of time when such waiver is unobtainable, the Non-Waiver Owner shall be deemed not to have released any subrogated claim of its insurance carrier against the other Owner, and during the same period of time the other Owner shall be deemed not to have released the Non-Waiver Owner from any claims they or their insurance carriers may assert which otherwise would

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have been released pursuant to this Section 9.5. If any Owner is unable to obtain such waiver of the right of subrogation for the benefit of the other Owner, such Non-Waiver Owner shall, within thirty (30) days of receiving notice of such inability, give the other Owner written notice of such inability.

9.6 **Self-Insurance.** Each Owner shall have the right to satisfy its insurance obligations hereunder by means of self-insurance to the extent of all or part of the insurance required hereunder, but only so long as (i) such Owner (or an affiliate providing the insurance) shall have a net worth of at least **US\$250,000,000.00**; and (ii) such Owner (or an affiliate providing the insurance) shall, upon request, provide a financial statement, prepared in accordance with generally accepted accounting principles, showing the required net worth.

ARTICLE X

REMEDIES

10.1 **Legal Action Generally.** If any of the Owners breaches any provision of this Agreement, then any other Owner may institute legal action against the defaulting Owner for specific performance, injunction, declaratory relief, damages, or any other remedy provided by law. All remedies herein or at law shall be cumulative and not inclusive. As used herein, any reference to rights or remedies "at law" or "under applicable law" shall also include any rights or remedies "in equity".

10.2 **Injunctive and Declaratory Relief.** In the event of any violation or threatened violation by any Owner, tenant, or occupant of the Project (or any portion thereof) of any of the terms, covenants, conditions, and restrictions herein contained, in addition to any other remedies provided for in this Agreement, any Owner shall have the right to enjoin such violation or threatened violation and to bring an action for declaratory relief in a court of competent jurisdiction.

10.3 **Owner's Right to Cure or Abate.** If any Owner (a "Defaulting Owner") violates any covenant, condition or restriction contained in this Agreement, or permits or suffers any occupant of its Parcel to violate any covenant, condition or restriction of this Agreement, then in addition to any other remedy provided for in this Agreement, any Owner (the "Creditor Owner") may demand by written notice (the "Default Notice") that the violation be cured. Except for utility service interruptions or similar emergencies which shall not require advance notice or cure periods hereunder, if the Defaulting Owner does not cure the violation within thirty (30) days after receipt of the Default Notice, or if such default is of a kind which cannot reasonably be cured within thirty (30) days, and the Defaulting Owner does not within such thirty (30) day period commence to cure such default and diligently thereafter prosecute such cure to completion, then the Creditor Owner (and its agents and employees) shall have the right to (i) pay any sum owed by the Defaulting Owner to the Person entitled thereto, (ii) enter upon the Parcel of the Defaulting Owner (or any portion of the Parking Area owned by the Defaulting Owner) and summarily abate, remove or otherwise remedy any improvement, thing or condition which violates the terms of this Agreement, and (iii) enter upon

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the Parcel of the Defaulting Owner (or any portion of the Parking Area owned by the Defaulting Owner) and perform any obligation of the Defaulting Owner to be performed thereon. The Defaulting Owner shall, within ten (10) days of written demand by the Creditor Owner, accompanied by appropriate supporting documentation, reimburse the Creditor Owner for all costs and expenses incurred by the Creditor Owner in undertaking any of the actions permitted by clauses (i) through (iii) in the preceding sentence, including without limitation, wages, benefits and overhead allocable to the time expended by any employee of the Creditor Owner in taking such actions, together with interest thereon at the rate equal to the Default Interest Rate, from the date such costs and expenses were advanced or incurred by the Creditor Owner.

10.4 Lien. Any Creditor Owner shall be entitled to a lien against the Parcel of the Defaulting Owner, which lien shall be created and foreclosed in accordance with this Section 10.4.

(a) Creation. A lien authorized by this Section 10.4 shall be created by recording a written instrument (the "Claim of Lien") in the records of Salt Lake County, Utah, which (i) references this Agreement by recording number, (ii) alleges a specific breach of this Agreement, (iii) states the amount owed by the Defaulting Owner through the recording date of the Claim of Lien, (iv) contains a legal description of the Parcel of the Defaulting Owner, and (v) is executed and acknowledged by the Creditor Owner.

(b) Amount. A lien created pursuant to this Section 10.4 shall include (i) the amount stated in the Claim of Lien, (ii) all costs and expenses incurred in creating and foreclosing such lien (including attorneys' fees and costs), (iii) all amounts which become due from the Defaulting Owner (or its successors or assigns) to the Creditor Owner after the date the Claim of Lien is recorded, whether such amounts arise from a continuation of the default alleged in the Claim of Lien or from some other default under this Agreement, and (iv) interest on all of the foregoing at the Default Interest Rate.

(c) Priority. The priority of a lien created pursuant to this Section 10.4 shall be established solely by reference to the date the Claim of Lien is recorded, and, accordingly, the same shall be junior to any deed of trust or similar security instrument recorded after the date of this Agreement and prior to the recordation of any such Claim of Lien.

(d) Extinguishment. If the Defaulting Owner cures its default, and pays all amounts secured by a lien created pursuant to this Section 10.4, the Creditor Owner shall record an instrument sufficient in form and content to clear title to the Parcel of the Defaulting Owner from the Creditor Owner's lien.

(e) Foreclosure. A lien created pursuant to this Section 10.4 shall be foreclosed judicially, in the same manner as provided for foreclosure of a mortgage or deed of trust of real property in the State of Utah.

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10.5 **Personal Obligation.** Each Owner and Permittee, by acceptance of the deed to, lease of or other conveyance of all or a portion of a Parcel or interest therein, shall be deemed to covenant and agree to be personally bound by this Agreement. Any sum not paid, or other obligation not performed when due, together with interest payable hereunder, and all costs and attorneys' fees incurred in connection with collection, shall be the personal obligation of the Person or Persons who were the Owners and/or Permittees of the Parcel at the time the payment or obligation became due. The personal obligation shall not be released by any transfer of the Parcel subsequent to the date such payment or obligation became due, but such obligation shall run with the land and shall be binding upon any successor Owner.

10.6 **Remedies Cumulative.** The remedies provided in this Article X are in addition to any remedies available elsewhere in this Agreement or under applicable law. Exercise of one remedy shall not be deemed to preclude exercise of other remedies for the same default, and all remedies available to an Owner may be exercised cumulatively.

ARTICLE XI

MISCELLANEOUS

11.1 **Notices.** Any notice, payment, demand, offer, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if sent by registered or certified mail (return receipt requested), postage and charges prepaid, or by Federal Express or other reputable overnight delivery service requiring a signature upon receipt, addressed as follows:

If to Developer, to: To each of VFM-ALC, VFM-CPZ, River Ridge and Hill Field Holding at the address indicated under each such Developer's signature on the signature page hereto, and to Satterfield Helm Management at the following address:

Satterfield-Helm Management, Inc.
9192 South 300 West, Suite 4

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Sandy, Utah 84070
Attention: Greg R. Helm
Facsimile: (801) 572-1680

With a copy to: Thomas R. Taylor, Esq.
Holme Roberts & Owen LLP
299 South Main Street, Suite 1800
Salt Lake City, UT 84111-2263
Facsimile: (801) 521-9639

If to Costco, to: Costco Wholesale Corporation
999 Lake Drive
Issaquah, WA 98027
Attention: Bruce Coffey
Facsimile: (425) 313-8114

With a copy to: Foster Pepper PLLC
1111 Third Avenue, Suite 3400
Seattle, WA 98101
Attention: Sabina Shapiro, Esq.
Facsimile: (206) 749-1913

Any such notice shall be deemed to be given on the first date on which it is received or receipt thereof is refused.

11.2 Binding Effect. All of the limitations, covenants, conditions, easements, and restrictions contained herein shall attach to and run with the Developer Parcels and the Costco Parcel, and shall, except as otherwise set forth herein, benefit or be binding upon the successors and assigns of the respective Owners; provided, however, that, such limitations, covenants, conditions, easements and restrictions shall be binding upon, enforceable against, and enforceable by each Owner only with respect to the respective successive periods in which each of Developer and Costco is an Owner and with respect to obligations which accrue during their respective period of ownership. This Agreement and all the terms, covenants and conditions herein contained shall be enforceable as equitable servitudes in favor of said Parcels and any portion thereof. Whenever the rights, powers and obligations conferred upon any of the Owners are vested in another Owner or Owners pursuant to the provisions defining "Owner" or "Owners" in Article I hereof, the transferor shall, subject to the terms of such provisions, be released or discharged from the obligations thereafter accruing under the terms of this Agreement, and the transferee(s) of such interest shall be bound by the covenants and restrictions herein contained.

11.3 Attorneys' Fees. In the event of any action between the Owners for a breach of or to enforce any provision or right hereunder, the non-prevailing Owner in such action shall pay to the prevailing Owner all costs and expenses, expressly including, but not limited to, reasonable

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attorneys' fees and costs incurred by the successful Owner in connection with such action, including without limitation all fees and costs incurred on any appeal from such action or proceeding.

11.4 **Breach Shall Not Permit Termination.** It is expressly agreed that no breach of this Agreement shall entitle any Owner to cancel, rescind, or otherwise terminate this Agreement, and such limitations shall not affect in any manner any of the rights or remedies which the Owners may have by reason of any breach of this Agreement.

11.5 **Breach - Effect on Mortgagee and Right to Cure.** A breach by any Owner of any of the covenants or restrictions contained in this Agreement shall not defeat or render invalid the lien of any Mortgage made in good faith, but all of the foregoing provisions, restrictions, and covenants shall be binding and effective against any Owner of any portion of the Project, or any part thereof, who acquires title by foreclosure or trustee's sale or by deed in lieu of foreclosure or trustee's sale.

Notwithstanding any other provision in this Agreement for notices of default, the Mortgagee of any Owner in default hereunder shall be entitled to notice of said default, in the same manner that other notices are required to be given under this Agreement; provided, however, that said Mortgagee shall have, prior to the time of the default, delivered written notice to the Owner(s) giving said notice of default of the Mortgagee's mailing address. In the event that any notice shall be given of the default of an Owner and such Defaulting Owner has failed to cure or commence to cure such default as provided in this Agreement, then and in that event the Owner giving such notice of default covenants to give such Mortgagee (which has previously given the above stated notice to such Owner) under any Mortgage affecting the Parcel of the Defaulting Owner an additional notice, given in the manner provided above, that the Defaulting Owner has failed to cure such default and such Mortgagee shall have thirty (30) days after said additional notice to cure any such default, or, if such default cannot be cured within thirty (30) days, diligently to commence curing within such time and diligently pursue such cure to completion within a reasonable time thereafter. Giving of any notice of default or the failure to deliver a copy to any Mortgagee shall in no event create any liability on the part of the Owner so declaring a default.

11.6 **Effect on Third Parties.** Except for Section 11.5, which is for the benefit of a Mortgagee, the rights, privileges, or immunities conferred hereunder are for the benefit of the Owners and not for any third party.

11.7 **No Partnership.** Neither this Agreement nor any acts of the Owners shall be deemed or construed by the parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of any association between any of the Owners.

11.8 **Modification.** No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by Costco and Developer. Any change, modification, amendment or rescission which is made without the written consent of Costco and Developer shall be null and void and of no effect. No consent or approval of any Owner other

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than Costco and Developer shall be required in order to modify or amend any provisions of this Agreement.

11.9 **Severability.** In the event any term, covenant, condition, provision, or agreement contained herein is held to be invalid, void, or otherwise unenforceable, by any court of competent jurisdiction, such holding shall in no way affect the validity or enforceability of any other term, covenant, condition, provision, or agreement contained herein.

11.10 **Governing Law.** This Agreement and the obligations of the Owners hereunder shall be interpreted, construed, and enforced in accordance with the laws of the State of Utah.

11.11 **Terminology.** All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural and vice versa.

11.12 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original agreement, and all of which shall constitute one Agreement.

11.13 **Captions.** Article and section titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any provisions hereof.

11.14 **Consent.** In any instance in which any Owner shall be requested to consent to or approve of any matter with respect to which such Owner's consent or approval is required by any of the provisions of this Agreement, such consent or approval or disapproval shall be given in writing, and shall not be unreasonably withheld, conditioned or delayed, unless the provisions of this Agreement with respect to a particular consent or approval shall expressly provide otherwise.

11.15 **Estoppel Certificate.** Each Owner hereby severally covenants that within thirty (30) days of the written request of any other Owner it will issue to such other Owner or to any prospective Mortgagee or purchaser of such Owner's Parcel an estoppel certificate stating: (a) whether the Owner to whom the request has been directed knows of any default under this Agreement and if there are known defaults specifying the nature thereof; (b) whether to its knowledge this Agreement has been assigned, modified or amended in any way (and if it has, then stating the nature thereof); and (c) whether to the Owner's knowledge this Agreement as of that date is in full force and effect.

11.16 **Not a Public Dedication.** Nothing herein contained shall be deemed to be a gift or dedication of any portion of the Project to the general public or for the general public or for any public purpose whatsoever, it being the intention of the Owners that this Agreement shall be strictly limited to and for the purposes herein expressed.

11.17 **Release.** If an Owner shall sell, transfer or assign its entire Parcel or its interest therein, it shall, except as provided otherwise in this Agreement, be released from its unaccrued

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obligations hereunder from and after the date of such sale, transfer or assignment. It shall be a condition precedent to the release and discharge of any grantor or assignor Owner that the following conditions are satisfied: (a) such grantor or assignor shall give notice to the other Owners of any such sale, transfer, conveyance or assignment promptly following the filing for record of the instrument effecting the same; and (b) the transferee shall execute and deliver to the other Owners a written statement in a form suitable for recording in the appropriate County Recorder's office in which: (i) the name and address of the transferee shall be disclosed; and (ii) the transferee shall acknowledge its obligation hereunder and agree to be bound by this Agreement and perform all obligations hereunder in accordance with the provisions of this Agreement. Failure to deliver any such written statement shall not affect the running of any covenants herein with the land, nor shall such failure negate, modify or otherwise affect the liability of any transferee pursuant to the provisions of this Agreement, but such failure shall constitute a default by the transferee hereunder.

Notwithstanding anything in this Section to the contrary, it is expressly understood and agreed that no such sale, transfer or assignment shall effectuate a release pursuant to this Section until such successor in interest to the transferor Owner has executed and recorded in the appropriate County records an instrument whereby such successor in interest agrees to be fully bound under the provisions of this Agreement in the place and stead of the transferor Owner.

11.18 Time of Essence. Time is of the essence with respect to the performance of each of the covenants and agreements contained in this Agreement.

11.19 Entire Agreement. This Agreement and the exhibits hereto contain all the representations and the entire agreement between the Owners with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are superseded in total by this Agreement and Exhibits hereto. The provisions of this Agreement shall be construed as a whole according to their common meaning and not strictly for or against any Owner. This Agreement is not, however, intended to supersede the provision of any lease as between an Owner and its tenant.

11.20 Excuse for Non-Performance. Each Owner shall be excused from performing any obligation or undertaking provided in this Agreement, except any obligation to pay any sums of money under the applicable provisions hereof (unless such payment is conditioned upon performance of any obligation or undertaking excused by this Section), in the event and so long as the performance of any such obligation is prevented or delayed, retarded or hindered by act of God, fire, earthquake, floods, explosion, actions of the elements, war, invasion, insurrection, riot, mob violence, sabotage; inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the ordinary course on the open market; failure of normal transportation; strikes, lockouts, action of labor unions; condemnation, requisition; laws, orders of governmental authority; inability to obtain governmental approvals or permits despite the exercise of due diligence and best efforts by an Owner or any other cause, whether similar or dissimilar to the foregoing, not within the reasonable control of such Owner, other than the lack of or inability to obtain funds.

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11.21 Mechanics' Liens. In the event any mechanics' liens are filed against the Parcel of any Owner, the Owner permitting or causing such lien to be filed hereby covenants either to pay the same and have it discharged of record, promptly, or to take such action as may be required to reasonably and legally object to such lien, or to have the lien removed from such Parcel, and in all events agrees to have such lien discharged prior to the entry of judgment for foreclosure of such lien. Upon request of any other Owner, the Owner permitting or causing such lien to be filed against any other Owner's Parcel agrees to furnish such security or indemnity conforming to this Agreement as may be required, to and for the benefit of such other Owner, to permit a title endorsement to such Owner's title policy to be issued relating to such Owner's Parcel without showing thereon the effect of such lien.

11.22 Duration. This Agreement and each term, easement, covenant, restriction and undertaking of this Agreement will remain in effect for a term equal to that of the Costco Ground Lease. In the event the Costco Ground Lease is terminated pursuant to Section 1.2.1 thereof, or otherwise, this Agreement shall be deemed to terminate concurrently therewith and neither party shall have any further obligations and liability hereunder. The Permanent Access Easements under Section 3.1(b) (captioned "Access Easement"), if any, the easements under 3.1(c) (captioned "Drainage") and Section 3.1(e) (captioned "Utilities") and the restrictions under Section 4.7 (captioned "Certain Setbacks") shall survive the termination of this Agreement.

11.23 Waiver of Default. No waiver of any default by any Owner shall be implied from any omission by any Owner to take any action in respect of such default if such default continues or is repeated. No express written waiver of any default shall affect any default or cover any period of time other than the default and period of time specified in such express waiver. One or more written waivers of any default in the performance of any term, provision or covenant contained in this Agreement shall not be deemed to be a waiver of any subsequent default in the performance of the same term, provision or covenant or any other term, provision or covenant contained in this Agreement. The consent or approval by any Owner to or of any act or request by any other Owner requiring consent or approval shall not be deemed to waive or render unnecessary the consent to or approval of any subsequent or similar acts or requests. The rights and remedies given to any Owner by this Agreement shall be deemed to be cumulative and no one of such rights and remedies shall be exclusive of any of the others, or if any other right or remedy at law or in equity which any such Owner might otherwise have by virtue of a default under this Agreement, and the exercise of one such right or remedy by any Owner shall not impair such Owner's standing to exercise any other right or remedy.

11.24 Exhibits. The following are attached to this Agreement.

- Exhibit "A" - Developer Parcels Description
- Exhibit "B" - Costco Parcel Description
- Exhibit "C" - Site Plan

Execution Original

11.24 **No Other Consent.** Developer represents to Costco that Developer's execution and delivery of this Agreement, and the effectiveness of this Agreement against the Project, do not require the consent of any other third party, or if such consent is required, that such consent has been obtained by Developer.

IN WITNESS WHEREOF, the parties have executed this REA, intending to be legally bound hereby as of the date first set forth above.

[Rest of page intentionally left blank – signatures appear on the following pages.]

SIGNATURE PAGE

FOR

**CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT
AGREEMENT (West Valley, Utah)**

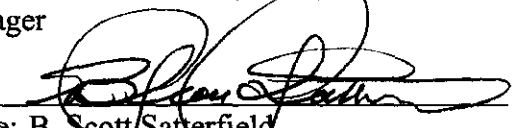
DEVELOPER:

VFM-ALC:

VFM-ALC LC,
a Utah limited liability company

By: **Alpine Chalet, LLC,**
an Idaho limited liability company

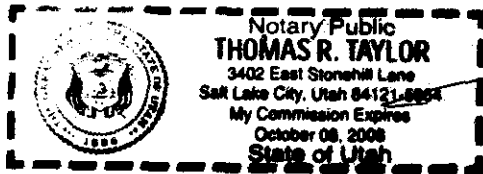
Its: Manager

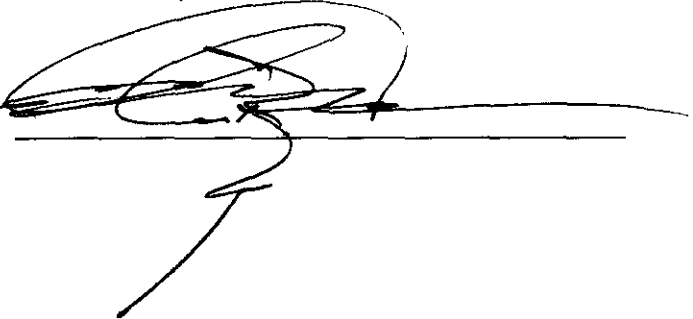
By: 
Name: B. Scott Satterfield

Title: Manager

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

The foregoing instrument was acknowledged before me this 29th day
of June, 2006, by B. Scott Satterfield, the
Manager of Alpine Chalet, LLC.





SIGNATURE PAGE

FOR

**CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT
AGREEMENT (West Valley, Utah)**

DEVELOPER:

VFM-CPZ:

VFM-CPZ LC,

a Utah limited liability company

By: **Corporate Plaza Limited,**
a Kentucky limited partnership

Its: **Managing General Partner**

By: 

Name: **B. Scott Satterfield**

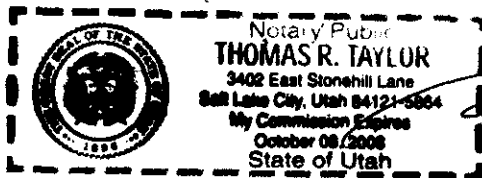
Title: **President**

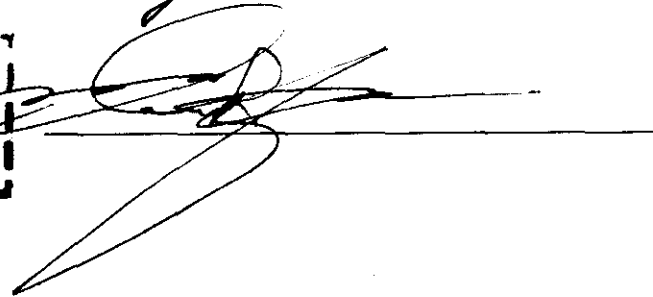
STATE OF UTAH)

: ss.

COUNTY OF SALT LAKE)

The foregoing instrument was acknowledged before me this 29th day
of June, 2006, by B. Scott Satterfield, the
President of Corporate Plaza Limited.





SIGNATURE PAGE

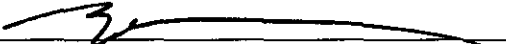
FOR

CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT
AGREEMENT(West Valley, Utah)

DEVELOPER:

RIVER RIDGE:

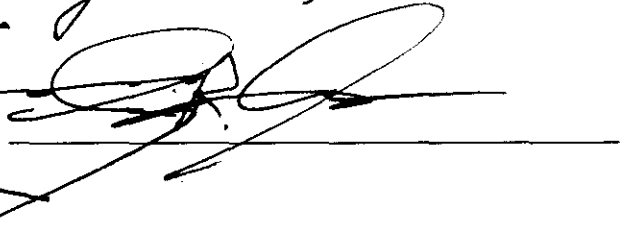
RIVER RIDGE VFM, L.L.C.,
a Utah limited liability company
By: **River Ridge Partners, L.C.**,
a Utah limited liability company
Its: Manager

By: 
Name: Neil J. Wall
Title: Manager

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

The foregoing instrument was acknowledged before me this 29th day
of June, 2006, by Neil J. Wall, the
Manager of River Ridge Partners, L.C.

~~Notary Public
THOMAS R. TAYLOR
3402 East Stonehill Lane
Salt Lake City, Utah 84121-5004
My Commission Expires
October 08, 2008
State of Utah~~



Notary Public
THOMAS R. TAYLOR
3402 East Stonehill Lane
Salt Lake City, Utah 84121-5004
My Commission Expires
October 08, 2008
State of Utah

SIGNATURE PAGE

FOR

CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT
AGREEMENT(West Valley, Utah)

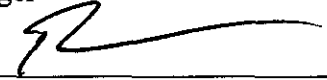
DEVELOPER:

HILL FIELD HOLDING:

HILL FIELD HOLDING VFM, L.L.C.,
a Utah limited liability company

By: **Jordan Square Shopping Center, L.C.**,
a Utah limited liability company

Its: Manager

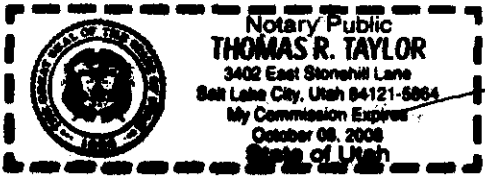
By: 

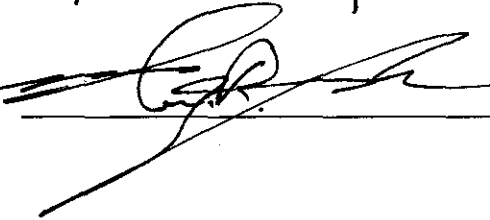
Name: R. Scott Priest

Title: *Member*

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

The foregoing instrument was acknowledged before me this 29th day
of June, 2006, by R. Scott Priest, the
Member of Jordan Square Shopping Center, L.C.





SIGNATURE PAGE

FOR

**CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT
AGREEMENT (West Valley, Utah)**

COSTCO:

COSTCO WHOLESALE CORPORATION,
a Washington corporation

By: *[Signature]*
Name: _____
Title: RICHARD J. OLIN
V.P./Asst. Secretary

STATE OF WASHINGTON

COUNTY OF KING

ss.

I certify that I know or have satisfactory evidence that Richard J. Olin is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the VP/Assistant Secretary of Costco Wholesale Corporation, to be its free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 10th day of July, 2006.

[Signature]
(Signature of Notary)



TERI L. FINNEY
(Legibly Print or Stamp Name of Notary)

Notary public in and for the state of Washington,
residing at West Valley

My appointment expires June 9, 2010

**EXHIBIT A
TO
CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT AGREEMENT**

Developer Parcels Description

- See the five (5) pages following this page.

EXHIBIT A

PARCEL 1:

Beginning at a point on the East right of way line of 2700 West Street, said point being South 89°58'40" East along the Section line 33.00 feet; and South 0°00'44" West along said East right of way line 154.91, feet from the North quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; an running thence South 89°59'21" East 39.00 feet to a point of a curve to the right, the radius point of which is South 89°59'21" East 75.00 feet; thence Northeasterly along the arc of said curve 117.83 feet to a point of tangency, said point being 80.00 feet perpendiculary distant Southerly from the center line of 3500 South Street at Engineer Station is 5+97.53 of State Freeway Project I-215 thence South 89°58'40" East 505.72 feet to a point of a curve to the right, the radius point of which is South 5°08'45" West 848.83 feet; said point also being 80.00 feet perpendiculary distant Southerly from the centerline of said 3500 South Street at Engineer Station 11+03.24; thence Southeasterly along the arc of said curve 683.09 feet; thence South 0 deg. 01'17" West 19.30 feet; thence South 89°58'40" East 15.68 feet to a point on a curve to the right; the radius point of which is South 52°55'58" West 848.83 feet; thence Southeasterly along the arc of said curve 33.77 feet to a point of intersection with a curve to the right, the radius point of which is South 54°01'22" West 768.83 feet; said point of intersection being 80.00 feet radially distant Southwesterly from the centerline of J-6 ramp of Engineer Station 18+00; thence Southeasterly along the arc of said curve 88.48 feet to a point on the East line of the West one-half of the Northeast quarter of Section 33; thence South along said East line 1469.58 feet to the Southeast corner of the Northeast quarter of the Southwest quarter of the Northeast quarter of said Section 33; thence South 89°57'20" West along the South line of the North one-half of the Southwest quarter of the Northeast quarter of said Section 33, 1288.88 feet to the East right of way line of 2700 West Street; thence North 0°00'44" East along said East right of way line 1831.35 feet to the point of beginning.

Less and excepting therefrom the following described parcel: Beginning at a point which is South 89°56' West along the quarter section line 1322.02 feet and North 1483.67 feet and South 89°57' West 121.85 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89°57' West 216.0 feet; thence North 0°03' West 258.0 feet; thence North 89°57' East 216.0 feet to a point of a 24.0 foot radius curve to the right; thence Southeasterly along the arc of said curve 37.70 feet to a point of tangency; thence South 0°03' East 210.0 feet to a point of 24.0 foot radius curve to the right; thence

Continued on next page

Southwesterly along the arc of said curve 37.70 feet to the point of beginning.

Less and excepting therefrom the following described parcel: Beginning at a point which is South $0^{\circ}00'42''$ West along the center section line 1548.84 feet, and South $89^{\circ}59'18''$ East 601.21 feet from the North quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian, said point also being the Northwest corner of the building, and running thence North $89^{\circ}59'30''$ East 477.40 feet; thence South $00^{\circ}00'30''$ East 29.69 feet; thence South $89^{\circ}59'30''$ West 5.40 feet; thence South $00^{\circ}00'30''$ East 40.20 feet; thence $89^{\circ}59'30''$ East 5.40 feet; thence South $00^{\circ}00'30''$ East 71.80 feet; thence South $89^{\circ}59'30''$ West 56.00 feet; thence South $00^{\circ}00'30''$ East 84.00 feet; thence South $89^{\circ}59'30''$ West 85.00 feet; thence North $00^{\circ}00'30''$ West 28.00 feet; thence South $89^{\circ}59'30''$ West 126.20 feet; thence North $00^{\circ}00'30''$ West 5.40 feet; thence South $89^{\circ}59'30''$ West 82.20 feet; thence South $00^{\circ}00'30''$ East 5.40 feet; thence South $89^{\circ}59'30''$ West 126.00 feet; thence North $00^{\circ}00'30''$ West 57.85 feet; thence North $89^{\circ}59'30''$ East 8.40 feet; thence North $00^{\circ}00'30''$ West 26.20 feet; thence South $89^{\circ}59'30''$ West 2.80 feet; thence North $00^{\circ}00'30''$ West 29.75 feet; thence North $89^{\circ}59'30''$ East 2.80 feet; thence North $00^{\circ}00'30''$ West 26.20 feet; thence South $89^{\circ}59'30''$ West 8.40 feet; thence North $00^{\circ}00'30''$ West 57.69 feet to the point of beginning.

Less and excepting therefrom the following described parcel: Beginning at a point which is South $0^{\circ}00'42''$ West along the center section line 342.74 feet, and South $89^{\circ}59'18''$ East 604.30 feet from the North quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian, said point also being the Northwest corner of the building, and running thence North $89^{\circ}56'37''$ East 323.40 feet; thence North $00^{\circ}03'23''$ West 37.00 feet; thence North $89^{\circ}56'37''$ East 22.70 feet; thence South $00^{\circ}03'23''$ East 37.00 feet; thence North $89^{\circ}56'37''$ East 67.90 feet; thence South $00^{\circ}03'23''$ East 226.06 feet; thence South $89^{\circ}56'37''$ West 414.00 feet; thence North $00^{\circ}03'23''$ West 226.06 feet to the point of beginning.

PARCEL 2:

Beginning at a point which is South 89 deg. 56' West along the quarter section line 1322.02 feet and North 1483.67 feet and South 89 deg. 57' West 121.85 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89 deg. 57' West 216.0 feet; thence North 0 deg. 03' West 258.0 feet; thence North 89

Continued on next page

deg. 57' East 215.0 feet to a point of a 24.0 foot radius curve to the right; thence Southeasterly along the arc of said curve 37.70 feet to a point of tangency; thence South 0 deg. 03' East 210.0 feet to a point of 24.0 foot radius curve to the right; thence Southwesterly along the arc of said curve 37.70 feet to the point of beginning.

PARCEL 3:

Beginning at a point which is South 0 deg. 00'42" West along the center section line 1548.84 feet, and South 89 deg. 59'18" East 601.21 feet from the North quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian, said point also being the Northwest corner of the building, and running thence North 89 deg. 59'30" East 477.40 feet; thence South 00 deg. 00'30" East 29.69 feet; thence South 89 deg. 59'30" West 5.40 feet; thence South 00 deg. 00'30" East 40.20 feet; thence North 89 deg. 59'30" East 5.40 feet; thence South 00 deg. 00'30" East 71.80 feet; thence South 89 deg. 59'30" West 56.00 feet; thence South 00 deg. 00'30" East 84.00 feet; thence South 89 deg. 59'30" West 85.00 feet; thence North 00 deg. 00'30" West 28.00 feet; thence South 89 deg. 59'30" West 126.20 feet; thence North 00 deg. 00'30" West 5.40 feet; thence South 89 deg. 59'30" West 82.20 feet; thence South 00 deg. 00'30" East 5.40 feet; thence South 89 deg. 59'30" West 128.00 feet; thence North 00 deg. 00'30" West 57.85 feet; thence North 89 deg. 59'30" East 8.40 feet; thence North 00 deg. 00'30" West 26.20 feet; thence South 89 deg. 59'30" West 2.80 feet; thence North 00 deg. 00'30" West 29.75 feet; thence North 89 deg. 59'30" East 2.80 feet; thence North 00 deg. 00'30" West 26.20 feet; thence South 89 deg. 59'30" West 8.40 feet; thence North 00 deg. 00'30" West 57.69 feet to the point of beginning.

PARCEL 4:

Beginning at a point which is South 0 deg. 00'42" West along the center section line 342.74 feet, and South 89 deg. 59'18" East 604.30 feet from the North quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian, said point also being the Northwest corner of building, and running thence North 89 deg. 56'37" East 323.40 feet; thence North 00 deg. 03'23" West 37.00 feet; thence North 89 deg. 56'37" East 22.70 feet; thence South 00 deg. 03'23" East 37.00 feet; thence North 89 deg. 56'37" East 67.90 feet; thence South 00 deg. 03'23" East 226.06 feet; thence South 89 deg. 56'37" West 414.00 feet; thence North 00 deg. 03'23" West 226.06 feet to the point of beginning.

Continued on next page

PARCEL 5:

Beginning on the West right of way and non-access line of State Freeway Project I-215 at a point which is South 89 deg. 56' West along the quarter section line 1076.295 feet and North 0 deg. 04' West 33.00 feet and North 3 deg. 35'13" West 805.29 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence North 3 deg. 35'13" West along said right of way and non-access line 553.785 feet; thence North 6 deg. 34'37" West along said right of way and non-access line 431.80 feet; thence North 17 deg. 00'58" West along said right of way and non-access line 239.87 feet to a point on a 768.83 foot radius curve to the left, the center of which bears South 67 deg. 31'22" West from said point; thence Northwesterly along said right of way and non-access line and the arc of said curve 92.67 feet to a point on the West line of the East half of the Northeast quarter of said Section 33; thence South along said West line 1294.16 feet; thence East 195.31 feet to the point of beginning.

PARCEL 6:

Beginning at a point on the West right of way and non-access line of State Freeway Project I-215, said point being South 89°56' West along the quarter section line 1076.295 feet and North 0°04' West 33.00 feet and North 3°35'13" West 526.29 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence West 165.68 feet; thence North 0°12'42" East 278.46 feet; thence East 147.19 feet to the West right of way line and non-access line of State Highway Project I-215; thence South 3°35'13" East along said right of way line 279.00 feet to the point of beginning.

PARCEL 7:

Beginning at a point on the West right of way line and non-access line of State Freeway Project I-215 and on the North right of way line of 3800 South Street, said point being South 89°56' West along the quarter section line 1076.295 feet and North 0°04' West 33.00 feet and North 3°35'13" West 7.01 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89°56' West along said North right of way line 197.28 feet; thence North 0°05'58" West 518.48 feet; thence East 165.68 feet to the West right of way line and non-access line

Continued on next page

of State Highway Project I-215; thence South 3°35'13" East along said right of way line 519.28 feet to the point of beginning.

PARCEL 8:

Beginning at a point on the North right of way line of 3800 South Street, said point being South 89°56' West along the quarter section line 1273.985 feet and North 0°04' West 40.00 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence South 89°56' West along said North right of way line 48.00 feet; thence North 518.54 feet; thence East 47.09 feet; thence South 0°05'58" East 518.48 feet to the point of beginning.

PARCEL 9:

Beginning at a point South 89°56' West along the quarter section line 1273.985 feet and North 0°04' West 33.00 feet and North 0°05'58" West 525.48 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence West 47.09 feet; thence North 278.46 feet; thence East 48.12 feet; thence South 0°12'42" West 278.46 feet to the point of beginning.

**EXHIBIT B
TO
CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT AGREEMENT**

Costco Parcel Description

PARCEL A:

Beginning at a point on the West right of way and non-access line of State Freeway Project I-215, said point being South 89°56' West along the quarter section line 1076.295 feet and North 0°04' West 33.00 feet and North 3°35'13" West 526.29 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence West 165.68 feet; thence North 0°12'42" East 278.46 feet, thence East 147.19 feet to the West right of way line and non-access line of State Highway Project I-215, thence South 3°35'13" East along said right of way line 279.00 feet to the point of beginning.

PARCEL B:

Beginning at a point on the West right of way line and non-access line of State Freeway Project I-215 and on the North right of way line of 3800 South Street, said point being South 89°56' West along the quarter section line 1076.295 feet and North 0°04' West 33.00 feet and North 3°35'13" West 7.01 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian, and running thence South 89°56' West along said North right of way line 197.28 feet; thence North 0°05'58" West 518.48 feet, thence East 165.68 feet to the West right of way line and non-access line of State Highway Project I-215, thence South 3°35'13" East along said right of way line 519.28 feet to the point of beginning.

PARCEL C:

Beginning at a point South 89°56' West along the quarter section line 1273.985 feet and North 0°04' West 33.00 feet and North 0°05'58" West 525.48 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence West 47.09 feet, thence North 278.46 feet; thence East 48.12 feet; thence South 0°12'42" West 278.46 feet to the point of beginning.

PARCEL D:

Beginning at a point on the North right of way line of 3800 South Street, said point being South 89°56' West along the quarter section line 1273.985 feet and North 0°04' West 40.00 feet from the East quarter corner of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian,

Execution Original

and running thence South 89°56' West along said North right of way line 48.00 feet, thence North 518.54 feet; thence East 47.09 feet, thence South 0°05'58" East 518.48 feet to the point of beginning.

PARCEL E:

Beginning at the Southeast corner of the Southwest quarter of the Northeast quarter of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence North 40 rods; thence West 40 rods; thence South 20 rods; thence West 11.69 feet, more or less, to the Northeast corner of that property shown in Quit Claim Deed recorded May 16, 2001, as Entry No. 7897248, in Book 8457, at Page 5615; thence along the Ease line of said property South 0°04' West 330.014 feet; thence East 672.175 feet to the point of beginning.

PARCEL F:

Beginning at a point 660 feet West along the quarter section line and North 00°04'00" West 329.969 feet from the Southeast corner of the Southwest quarter of the Northeast quarter of Section 33, Township 1 South, Range 1 West, Salt Lake Base and Meridian; and running thence West 12.8 feet; thence North 00°04'00" West 330.016 feet; thence North 89°56'00" East 12.8 feet; thence South 00°04'00" East 330.031 feet to the point of beginning.

The combined overall surveyed legal description of Parcels A through F is described as follows:

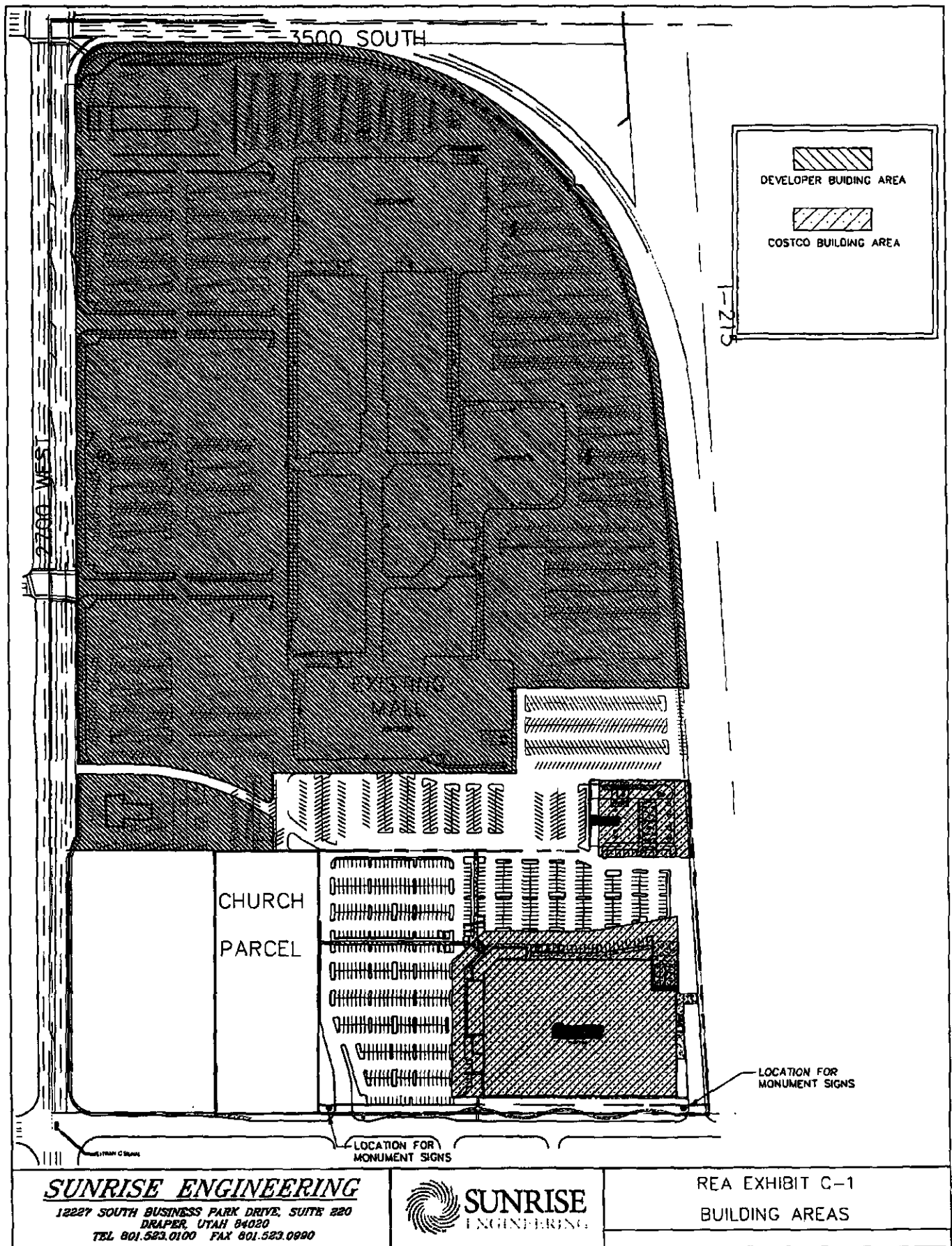
That portion of Section 33, Township 1 South, Range 1 West, Salt Lake Meridian, Salt Lake County, Utah, more particularly described as follows:

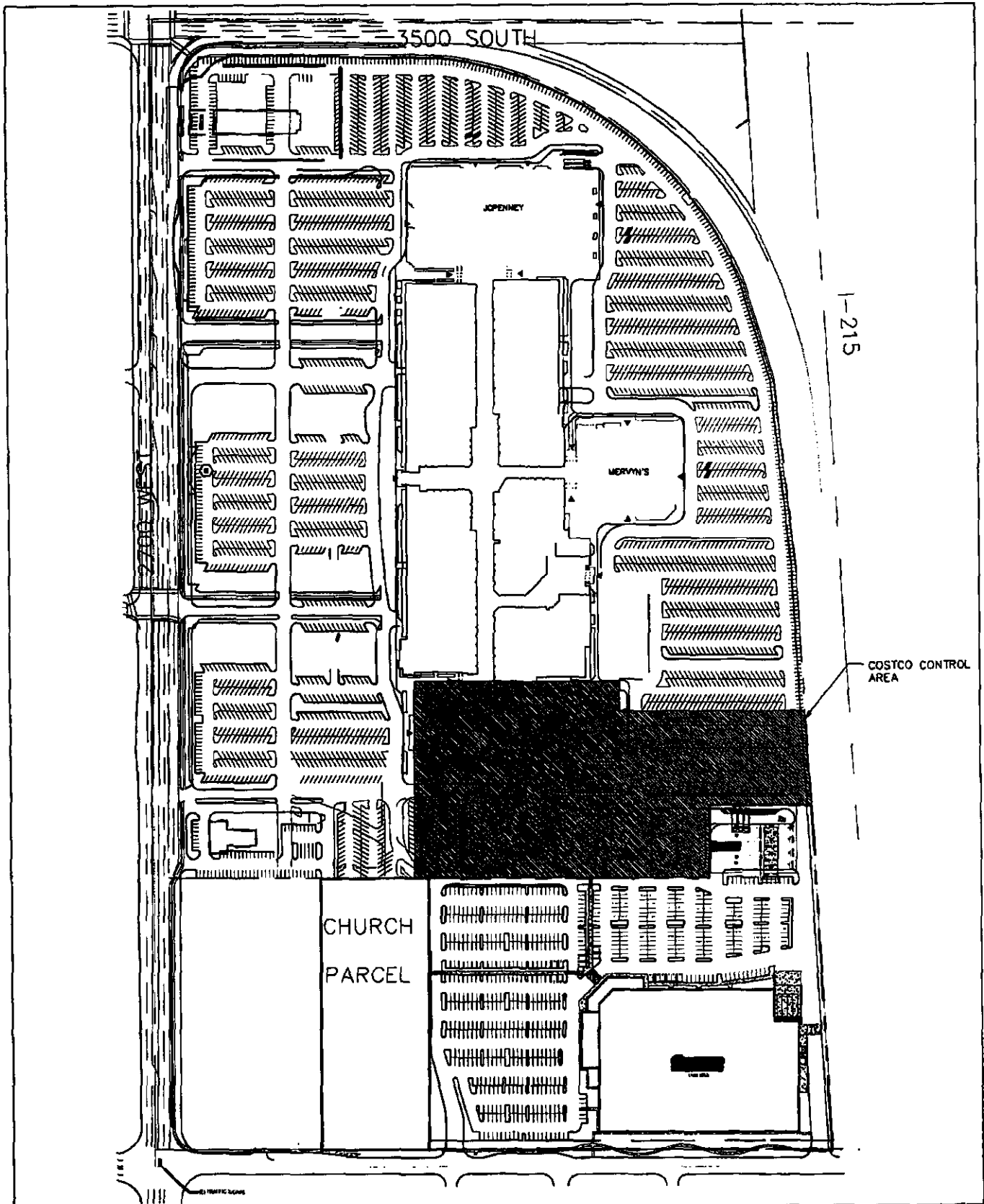
Commencing at the East quarter corner of said Section 33; and running thence North 89°48'37" West 1076.73 feet along the quarter section line; thence North 00°11'23" East 40.00 feet to a point on the North right of way line of 3800 South Street and the point of beginning, thence North 89°48'37" West 917.43 feet along said North right of way line, thence North 00°14'55" East 620.00 feet, thence South 89°48'37" East 672.23 feet to a point on the sixteenth line; thence North 00°15'23" East 177.00 feet along the sixteenth line; thence South 89°44'37" East 195.34 feet to a point on the West right of way line of Interstate 215; thence South 03°19'50" East 798.28 feet along the West right of way line to the point of beginning.

**EXHIBIT C
TO
CONSTRUCTION, OPERATION, AND RECIPROCAL EASEMENT AGREEMENT**

Site Plan

- See the three (3) pages following this page.

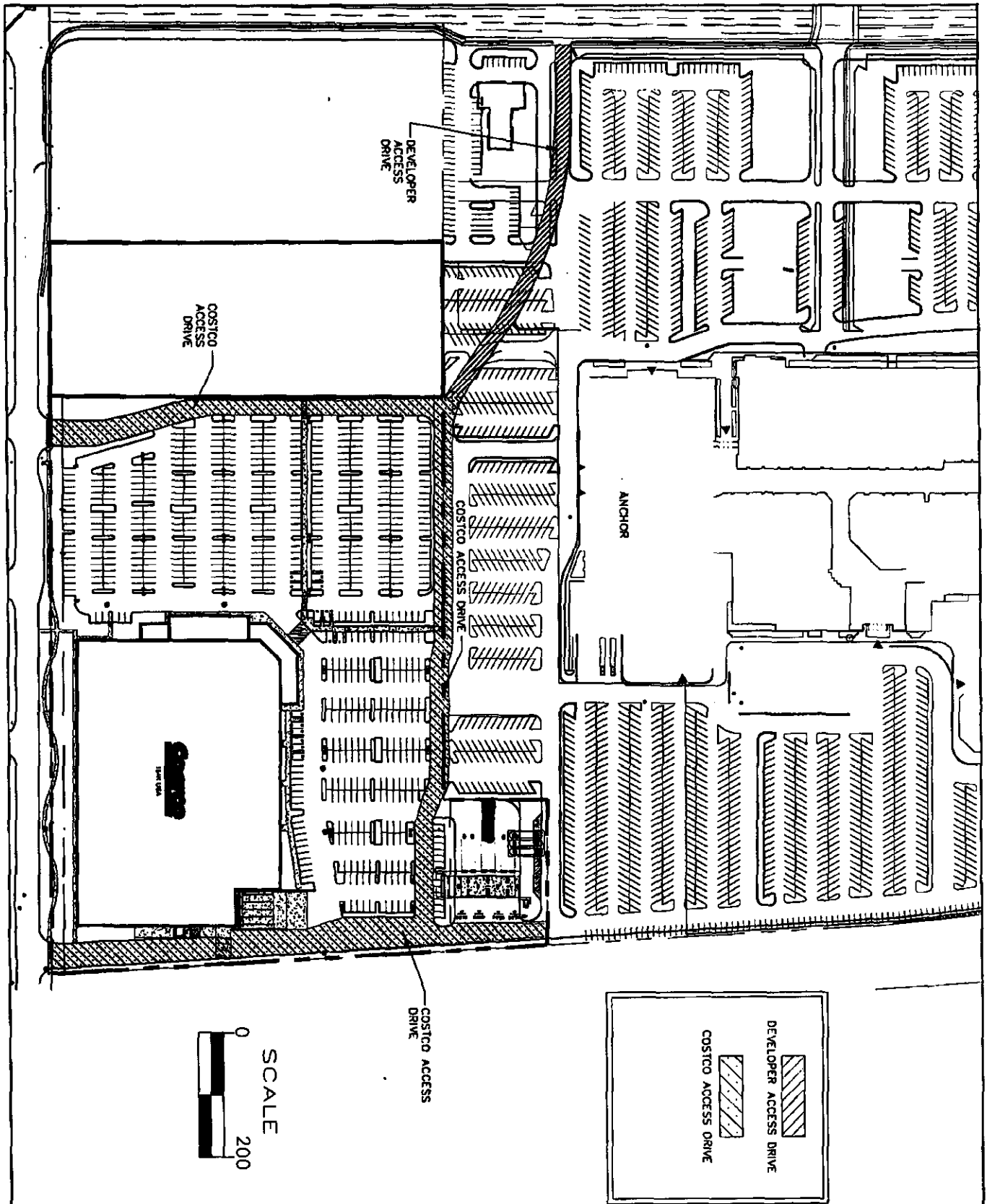




SUNRISE ENGINEERING
 12227 SOUTH BUSINESS PARK DRIVE, SUITE 220
 DRAPER, UTAH 84020
 TEL 801.523.0100 FAX 801.523.0990



REA EXHIBIT C-2
 COSTCO CONTROL AREA



SUNRISE ENGINEERING

12227 SOUTH BUSINESS PARK DRIVE, SUITE 220
 DRAPER, UTAH 84020
 TEL 801.523.0100 FAX 801.523.0990



REA EXHIBIT C-3
 ACCESS DRIVES

DATE: 06-20-06

PARCEL ID NUMBERS

15-33-201-007-2000
15-33-201-007-2001
15-33-201-005
15-33-251-007
15-33-201-006
15-33-276-003
15-33-276-006
15-33-276-008
15-33-276-007
15-33-276-005

15.33-251-009
15.33-251-010