

DEVELOPMENT AGREEMENT FOR KNEADERS BAKERY & CAFE SITE PLAN

ENT 36870:2012 PG 1 of 22 JEFFERY SMITH UTAH COUNTY RECORDER 2012 May 03 1:46 pm FEE 53,00 BY E0 RECORDED FOR NATIONAL TITLE AGENCY

THIS AGREEMENT is made and entered into by and between the CITY OF SARATOGA SPRINGS ("City") and Stations West-Saratoga, LLC ("Developer 1") and Tight Loop, LLC ("Developer 2"). Developer 1 and Developer 2 are referred to herein individually as the "Developer" or collectively as the "Developers".

RECITALS:

- A. The City has given final approval of Kneaders Site Plan, located at approximately 1848 North Redwood Road, consisting of one lot that will be developed with a restaurant (the "Project"). The legal description for this Site is attached as Exhibit A, incorporated herein and made a part hereof by this reference. That approval was subject to, among other things, the execution of this Agreement.
- B. This Agreement is being entered into by the City and Developers to provide for the construction of and bonding for the "Project Improvements" and to provide for other matters relating to the Development on as herein set out.

AGREEMENT:

NOW THEREFORE, in consideration of the mutual covenants, conditions and terms set forth in the above Recitals and hereinafter set forth, the parties hereby agree as follows:

1. Project Improvements. Developers agree to make, construct, or install the project improvements, including but not limited to streets, sewer, trails, water, and easements (the "Project Improvements"), as more specifically set forth in the project plans and construction drawings for the project (the "Project Plans") that have been approved by the City Engineer. The allocation of responsibilities for each of the Developers shall be as follows: Developer 1 shall be responsible for all work being performed by CLC Associates as shown in the plan attached hereto as Exhibit D-1 and incorporated herein by this specific reference (in addition, Developer 1 shall be responsible for the sanitary sewer lateral not servicing the Project); Developer 2, with the exception of the sanitary sewer lateral noted immediately above, shall be responsible for all work shown being performed by Excel Engineering as shown by the plan attached in Exhibit D-2. The Project Improvements shall be constructed and installed in a good and workmanlike manner and in full accordance with the Project Plans, any applicable construction standards of City and all applicable federal, state and local laws, rules and regulations. Developers will supply the City with As-Built drawings showing the respective Project Improvements when they are completed. Developers shall not be released from their obligations herein unless and until City accepts such improvements in advance and in writing as meeting all Project Plans, any applicable construction standards of City, and all applicable federal, state, and local laws, rules, and regulations.

The Project Improvements and all off-site improvements required to provide services to the Project must be completed before the City will issue any certificates of occupancy. All Project Improvements must be completed within one year from the date of approval of the project. If the Project Improvements are not completed within one year, the City shall have the right, but not the obligation, upon notice of the respective Developer's default as provided in this Agreement, to cause the Project Improvements to be completed with the use of the proceeds of the performance bond provided in accordance with Section 2 of this Agreement, and City shall have the right, but not the obligation, to rescind this Agreement and vacate all approvals granted herein as it pertains to the defaulting Developer. The respective Developer hereby warrants that all of the improvements installed and every part thereof that are allocated to said Developer per the above paragraph and Exhibit D-1 or D-2 as allocated above, shall remain in good condition free from all defects in design, materials and/or workmanship for one year, or two years upon a finding by the City that the requirements of Utah Code Ann. § 10-9a-604.5 have been met, from the date all required improvements are completed, inspected, and accepted in writing by the City's representative (the "Warranty Period"). The warranty period and performance bond is required in order to ensure that the Improvements are installed pursuant to the approved plans, are structurally sound, and require no further replacements or repairs. Upon completion of the warranty period, if the Improvements have remained free from defects or damage and continue to meet City standards for the one or two year period, each respective Developers shall petition the City for final acceptance in writing of the warranted Project Improvements. The respective Developer shall promptly make all repairs, corrections, and/or replacements for all defects in workmanship, materials, and/or equipment included in the

required improvements that have been allocated to said Developer per the above paragraph and Exhibits D-1 and D-2 during the Warranty Period which warranty work shall be inspected and accepted in writing by the City's designated representative.

- 2. Performance Bond. Prior to installation, each respective Developer shall provide a performance bond acceptable to the City covering certain of the Project Improvements, in the amount of 115% of the estimated cost of said improvements, as set forth in Exhibits B and C attached hereto and made a part hereof. The bond shall provide that periodic completion payments for the improvements described in Exhibits B and C, calculated on percent of completion less 10%, provided that at least 20% of the bond amount shall be retained until all required improvements are completed, inspected, and accepted in writing by the City's designated representative. Percent of completion shall be calculated by the City's designated representative based upon such inspection as he deems appropriate and based upon actual invoices and other documentation as he deems appropriate. Developers understand and agree that Exhibits B and C do not necessarily include all required Project Improvements and that additional Project Improvements may be required as per the Project Plans but only as provided by paragraph 1 above. When all required improvements are completed, inspected, and accepted in writing by the City's designated representative, all of the bond amount except for 10% of the bond amount may be disbursed or released. The remaining 10 % of the corresponding bond obtained by the respective Developer amount shall be retained by the City for the Warranty Period to cover any defects in workmanship or materials discovered during the Warranty Period and not repaired, corrected, and/or replaced by the responsible Developer.
- Dedication of Improvements. The Project Improvements as well as all public open space, streets, trails, and easements as set out in the Project an or subdivision plat shall be dedicated to City upon City's acceptance in writing of the same.
- 4. <u>Compliance with Conditions Imposed by City</u>. Developers agrees to comply with any and all conditions imposed by the Planning Commission or the City Council during the permitting and approval process as set forth in the adopted staff reports, written and audio transcripts, and official written minutes of the City Planning Commission and City Council. Such conditions are hereby incorporated herein by this reference.
- 5. <u>Sewer Service</u>. City agrees to provide sewer service to the Project at standard rates generally charged for other development within the City in accordance with the ordinances, rules, and regulations of the City and the Timpanogos Special Service District ("Timpanogos") covering sewer service on the following conditions:
- 5.1. <u>Sewer Lines</u>. City shall not be obligated to provide sewer to any lot until all sewer lines within the Project and all off-site sewer lines and/or facilities required to provide sewer service to the Project are completed and accepted by the City.
- 5.2. Sewer Fees. Timpanogos requires payment of an impact fee/capital facilities charge which is subject to change from time to time by Timpanogos. The impact fee/capital facilities charge is currently collected by the City but may hereafter be collected directly by Timpanogos and may hereafter be collected as a capital facilities charge or as an impact fee. Developers acknowledges and agrees that said capital facilities charge or impact fee by Timpanogos is separate from and in addition to impact fees imposed by the City. Lot Owners shall be required to pay any and all connection fees and/or impact fees at the time building permits are obtained for their Lots.
- 6. <u>Water Service</u>. City agrees to provide culinary and secondary (outside irrigation) water service to the Project at standard rates generally charged for other development within City in accordance with the Ordinances and rules and regulations of City covering water service on the following conditions:
- 6.1. <u>Water Facilities and Water Rights</u>. Secondary water facilities and water rights for culinary and secondary water are being purchased from the City or are otherwise being provided in accordance with the City's Water Utilities Ordinance in connection with the granting of a building permit for the Project.
- 6.2. <u>Water Lines</u>. City shall not be obligated to provide water service to any lots in the Project until all culinary and secondary water lines within the Project and all off-site culinary and secondary water lines and/or facilities required to provide water service to the Project are completed and approved and accepted by City.

- 6.3. <u>Water Fees</u>. Lot Owners shall be required to pay culinary water connection fees at the time building permits are obtained for their Lots. The lot owners shall also be required to pay fees to cover the costs of water meters and the costs to connect the same in order to receive water service.
- 7. Other Municipal Services. City shall provide standard municipal services to the Project in the same manner and level as said services are provided to other developments in the City subject to the payment of all fees and charges charged or levied therefore by the City.
- 8. <u>Street Lighting SID</u>. The land covered by the Project and all lots and parcels in the Project shall be added to the City's Street Lighting Special Improvement District ("Lighting SID") for the maintenance of the street lighting. Developers have or will give written consent to have the land covered by the Project included in the Lighting SID as a condition to project approval and/or final plat approval. The Lighting SID is not for the installation of street lights but is for the maintenance of the street lights that Developers, in their respective capacity, may or may not be required to install as part of the Project Improvements.
- 9. <u>Impact Fees</u>. All City-imposed impact fees, including but not limited to roadways, storm drainage, wastewater, parks and open space, and public safety facilities shall be imposed on all lots in the Project in accordance with any City impact fee ordinance and shall be paid prior to the issuance of a building permit for any development on a lot in the Project. Developers, by signing this Agreement, waive any rights to challenge such Impact Fees in law or in equity.
- 10. <u>Rights of Access</u>. The City Engineer and other representatives of the City shall have the right of access to the Project during construction to inspect or observe the work on the Project Improvements and to make such inspections and tests as are allowed or required under the City's ordinances.
- 11. <u>Assignment.</u> Any and all successors and assigns, in title or right, with respect to all rights and obligations in this Agreement, including any approvals as it pertains to the Project and any requirement to install the Project Improvements irrespective of the Performance or Warranty Bond , shall be bound by the same requirements and obligations as described in this Agreement.
- 12. <u>Default</u>. In the event the respective Developer fails to perform its obligations as allocated and specified in this Agreement, at any time after 30 days notice by the City of such default, City may, at its election, have the following remedies:
 - 12.1. All rights and remedies provided in this Agreement or available at law and in equity, including injunctive relief, specific performance and/or damages.
 - 12.2. The right to withhold all further approvals, licenses, permits or other rights associated with the Project and any building or development on any lots in the Project.

The rights and remedies herein provided shall be cumulative. If any party hereto defaults in any of the covenants or agreements herein contained, the defaulting party shall pay all costs and expenses, including reasonable attorney's fees, which may arise or accrue from enforcing this Agreement or in pursuing any remedy provided hereunder or by applicable law, whether such remedy is pursued by filing suit or otherwise.

- 13. <u>Fees.</u> Concurrent with the execution of this Agreement and prior to the issuance of a building permit, Developer 2 shall pay to City all fees for project approval and all engineering and other fees for inspection and testing of the Project Improvements. Developer 2 shall reimburse City for its attorney's fees in negotiating and drafting this Agreement and other documents and agreements involved with the project and project approval.
- 14. <u>Time of the Essence.</u> It is agreed that time is of the essence in the performance of duties and obligations under this Agreement.
- 15. <u>Notice</u>. Any notice given under this Agreement shall be written and shall be delivered personally, by first class mail or by express mail addressed as follows:

To City:

City of Saratoga Springs

1307 North Commerce Drive, Suite 200 Saratoga Springs, Utah 84045

To Developer 1:

Phillips Edison & Co. 175 E 400 South, Suite 402 Salt Lake City, UT 84111

To Developer 2:

TBD

Or other such address as either party may designate by written notice to the other party as herein provided.

- 17. <u>Construction</u>. This Agreement shall be governed as in validity, enforcement, construction, effect, and in all other respects by the Laws of the State of Utah. The section headings and numbers are for convenience only and are not to be used to construe or interpret the provision of this Agreement.
- 18. <u>Waiver</u>. No failure or delay in exercising any right or privilege hereunder on the part of any party shall operate as a waiver hereof. No waiver shall be binding unless executed in writing by the party making the waiver.
- 19. Entire Agreement, Counterparts, and Exhibits. Unless otherwise noted herein, this Agreement is the final and exclusive understanding and agreement of the Parties and supersedes all negotiations or previous agreements between the Parties with respect to all or any part of the subject matter hereof, but only to the extent that any previously-signed agreements conflict with the provisions herein. All waivers and amendments of the provisions of this Agreement shall be in writing and signed by the appropriate authorities of the City and Developer. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit A - Legal Description of the Property

Exhibit B - Required Bonding for Stations West-Saratoga, LLC

Exhibit C - Required Bonding for Tight Loop, LLC

Exhibit D-1 - Improvement Responsibilities of Stations West-Saratoga, LLC

Exhibit D-2 - Improvement Responsibilities of Tight Loop, LLC

- 20. <u>Recordation of Project Development Agreement</u>. No later than ten (10) days after the City and Developers enter into this Agreement, or as soon is reasonably practicable, the City Recorder shall cause to be recorded, at Developer 2's expense, an executed copy of this Agreement in the Official Records of the County of Utah.
- 21. <u>No Third-Party Beneficiaries.</u> This Agreement is between the City and Developers. No other party shall be deemed a third-party beneficiary or have any rights under this Agreement. This includes but is not limited to the obligations and rights pertaining to the Project Improvements. Notwithstanding anything in this Agreement to the contrary, the owners of individual units or lots in the Project shall have no right to bring any action under this Agreement as a third-party beneficiary or otherwise.
- 22. <u>Covenants Running with the Land</u>. The provisions of this Agreement shall constitute real covenants, contract and property rights, and equitable servitudes, which shall run with all of the land subject to this Agreement. The burdens and benefits of this Agreement shall bind and inure to the benefit of each of the Parties, and to their respective successors, heirs, assigns, and transferees.
- 23. <u>Method of Enforcement</u>. The City may look to Developers, the Home Owners' Association, and/or to each lot or unit owners in the Project for performance of the provisions of this Agreement relative to the portions of the Project owned or controlled by such party. Any cost incurred by the City to secure performance of the provisions of this Agreement shall constitute a valid lien on the Project, including prorated portions to individual lots or units in the Project, on a parity with and collected at the same time and in the same manner as general City taxes and assessments that are a lien on the Project. The City may pursue any remedies available at law or in equity, including the withholding of building permits or certificates of occupancy, to ensure compliance with this Agreement.

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- 24. <u>Subjection and Subordination</u>. The Developers and each person or entity that holds any beneficial, equitable, or other interest or encumbrances in all or any portion of the Project at any time hereby automatically, and without the need for any further documentation or consent, subjects and subordinates such interests and encumbrances to this Agreement and all amendments thereof. Each such person or entity agrees to provide written evidence of that subjection and subordination within 15 days following a written request in a form reasonably satisfactory to the City.
- 25. <u>Incorporation of Recitals and Introductory Paragraph</u>s. The Recitals contained in this Agreement, and the introductory paragraphs preceding the Recitals (if any), are hereby incorporated into this Agreement as if fully set forth herein.

26. Defense and Indemnity.

- 26.1 <u>Developer's Actions</u>. Developers shall defend, hold harmless, and indemnify the City and its elected and appointed officers, agents, employees, and representatives from any and all claims, costs, judgments and liabilities (including inverse condemnation) which arise directly or indirectly from the City's approval of the Project, construction of the Project, or operations performed under this Agreement by (a) the respective Developer or by that Developer's contractors, subcontractors, agents or employees, or (b) any one or more persons directly or indirectly employed by, or acting as agent for, the respective Developer or any of that Developer's contractors or subcontractors.
- 26.2 <u>Hazardous, Toxic, and/or Contaminating Materials</u>. Each Developer, in their respective capacities, further agree to defend and hold harmless the City and its elected and/or appointed boards, officers, employees, and agents from any and all claims, liabilities, damages, costs, fines, penalties, and/or charges of any kind whatsoever relating to the existence of hazardous, toxic. and/or contaminating materials or conditions on the Project solely to the extent caused by its respective intentional or negligent acts, or its respective officers, contractors, subcontractors, employees, or agents.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date hereinabove written.

DEVELOPER 1

	Stations West – Saratoga, LLC
	By: Phillips Edison Limited Partnership, Its Managing
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	By: Phillips Edison & Company, Inc., its General Partner
	By: 7. M
	Robert F. Myers, President
	Dated: 4/11/12
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STATE OF UTAH)	
COUNTY OF HAMILTON) :ss	
)
The foregoing incomment was acknowledge Robert 1. Who executed the	ed before me this day of Houl 12, by he foregoing instrument in his capacity as the Resident
of Developer	
	NOTARY PUBLIC Residing at: Carbari Hoos
My Commission Expires:	,
	λ
[2] [2] [3]	S BARBARA HOOD

Notary Public, State of Ohio My Commission Expires

August 2, 2013

Tight Loop, LLC By: 4/34/3018 Date
STATE OF UTAH)
COUNTY OF Soft Jakes :ss
The foregoing instrument was acknowledged before me this 4 day of 40ril , 2012, by JULIENSOWREGINITH of D NOTARY PUBLIC-STATE OF UTAH COMMISSIONS 583676 COMM. EXP. 05-28-2014
My Commission Expires:
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CITY OF SARATOGA SPRINGS
By: Minh MyOnl 4/210/12 Mayor Pro. tempore Date
Attest:
GREATOGA SPANIS OF CORPORATE SPANIS OF CORPORA

DEVELOPER 2

EXHIBIT A

Lot 1A, SARATOGA TOWN CENTER SUBDIVISION, as amende	ed by the Minor
Subdivision Amending Lot 1 filed on the 3 day of May	, 2012 as Entry
No. 1365.3 Map Filing No. 1365.3	in Man Book
Map Page 358, of the Official Records of the Utah County Record	ler.
# 36842-2012	

A PARCEL OF LAND SITUATED ON THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 5 SOUTH, RANGE 1 EAST, SALT LAKE BASE AND MERIDIAN, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING N 89°51'52" E 210.09 FEET AND S 0°08'08" E 678.09 FEET FROM THE NORTH QUARTER CORNER OF SECTION 14, TOWNSHIP 5 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, POINT ALSO BEING ON A 4314.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT, WITH A RADIUS WHICH BEARS S 84°00'52" W AND RUNNING THENCE 199.09 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 2°38'39" TO A POINT ON A 900.00 FOOT RADIUS NON-TANGENT CURVE TO THE RIGHT, WITH A RADIUS WHICH BEARS N 6°43'28" W; THENCE 49.53 FEET ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 3°09'12"; THENCE S 86°25'43" W 125.50 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF REDWOOD ROAD, OTHERWISE KNOWN AS STATE ROAD 68, SAID POINT ALSO BEING ON A 4314.00 FOOT RADIUS NON-TANGENT CURVE TO THE LEFT, WITH A RADIUS WHICH BEARS S 86°39'29" W; THENCE 199.05 FEET ALONG THE ARC OF SAID CURVE AND SAID RIGHT-OF-WAY THROUGH A CENTRAL ANGLE OF 2°38'37"; THENCE N 85°58'08" E 175.01 FEET TO THE POINT OF BEGINNING.

34,944 SQUARE FEET OR 0.802 ACRE

Exhibit B Required Bonding for Stations West-Saratoga, LLC



Saratoga Springs Bond Calculation

Project: Kneaders Off-Site Public Improvements - Stations West

By: JDL

Date: 3-14-2012

Erosion Control

Erosion Control Description	Unit	Quantity	Cost per Unit	Total Cost
Erosion Control*	Acre	1	\$2,500.00	\$2,500.00
Subtotal				\$2,500.00

^{*} Erosion control bond funds shall be eligible for release only after the City inspector has determined that the site is stabilized and all construction activity has been completed.

Sanitary Sewer

Sanitary Sewer Description	Unit	Quantity	Cost per Unit	
Laterals	EA	1	\$750.00	\$750.00
Subtotal				\$750.00

Culinary Water

Culinary Water Description	Unit	Quantity	Cost per Unit	Total Cost
Remove existing blow-off, valve and line back to tee	LS	1	\$1,500.00	\$1,500.00
8" Gate Valve	EA	3	\$1,600.00	\$4,800.00
Adjust and Collar Watervalve MH	EA	3	\$250.00	\$750.00
8" Tee	EA	1	\$950.00	\$950.00
Subtotal				\$8,000.00

Total Improvement Cost

\$11,250.00

Contingency (15%)

\$1,687.50

Final Bond Amount

\$12,937.50

Exhibit C Required Bonding for Tight Loop, LLC



Saratoga Springs Bond Calculation

Project: Kneaders On-Site Public Improvements - Tight Loop

By: JDL

Date: 3-14-2012

Erosion Control

Erosion Control Description	Unit	Quantity	Cost per Unit	Total Cost
Erosion Control*	Acre	1	\$2,500.00	\$2,500.00
Subtotal				\$2,500.00

^{*} Erosion control bond funds shall be eligible for release only after the City inspector has determined that the site is stabilized and all construction activity has been completed.

Sanitary Sewer

Sanitary Sewer Description	Unit	Quantity	Cost per Unit	Total Cost
4' Sampling Manhole	EA	1	\$3,500.00	\$3,500.00
Laterals	EA	1	\$750.00	\$750.00
1,000 Gallon Grease Trap	EA	1	\$5,000.00	\$5,000.00
Subtotal				\$9,250.00

Culinary Water

Culinary Water Description	Unit	Quantity	Cost per Unit	Total Cost
Service Connections 3/4-1" with Meter	EA	1	\$1,000.00	\$1,000.00
Subtotal				\$1,000.00

Irrigation Water

Irrigation Water Description	Unit	Quantity	Cost per Unit	Total Cost
Irrigation Lateral 3/4-1" with Meter	EA	1	\$1,000.00	\$1,000.00
Subtotal				\$1,000.00

Total Improvement Cost

\$13,750.00

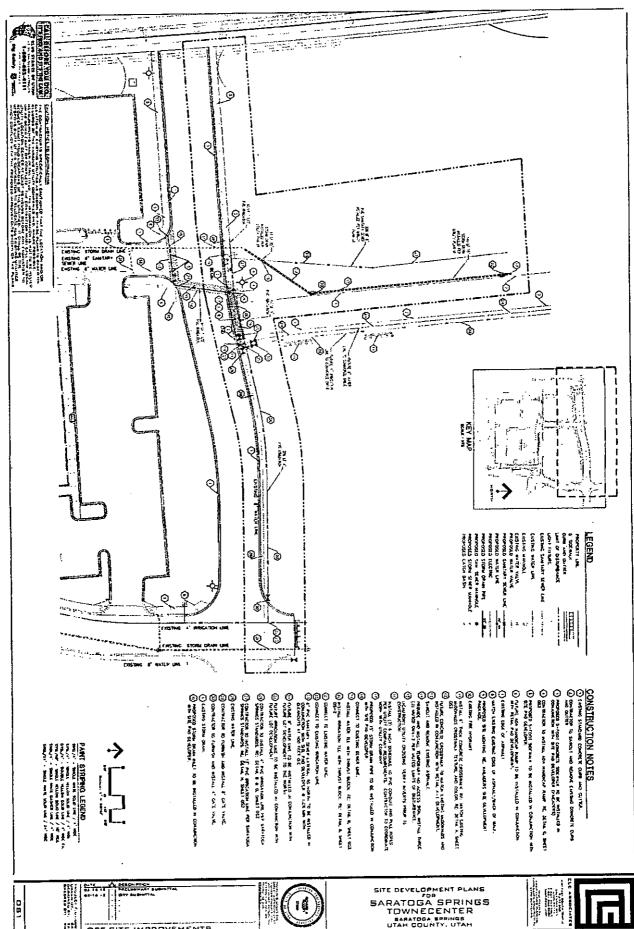
Contingency (15%)
Final Bond Amount

\$2,062.50 \$15,812.50

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Exhibit D-1
Improvement Responsibilities of Stations West-Saratoga, LLC

Attached hereto.



OFF SITE IMPROVEMENTS



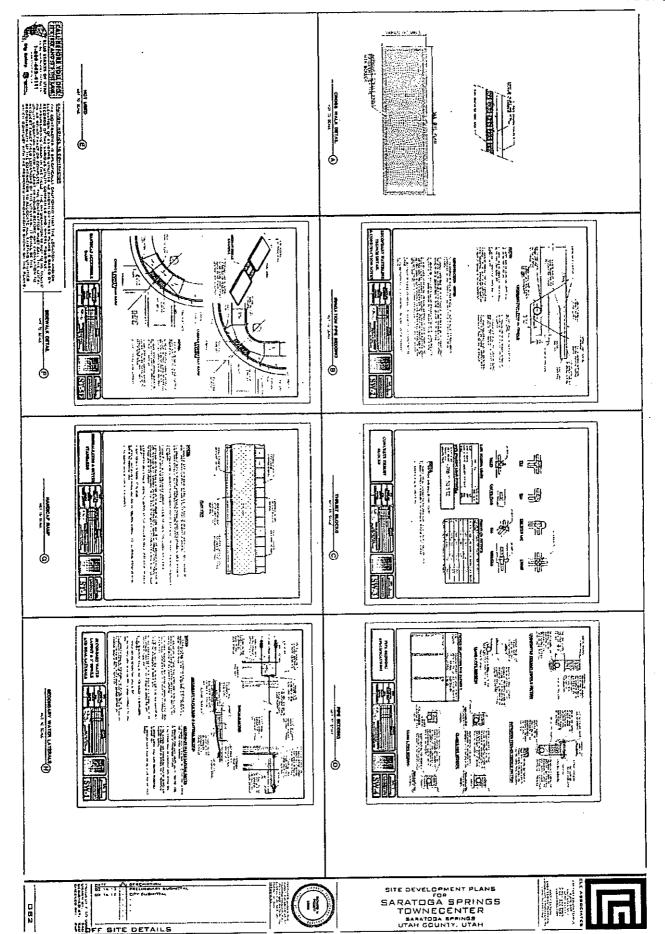
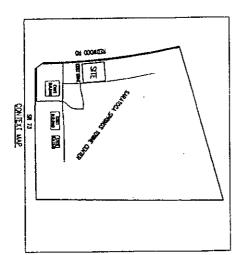
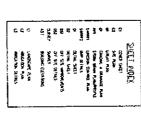


Exhibit D-2 Improvement Responsibilities of Tight Loop, LLC

Attached hereto.







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