

## **RESOLUTION 10-04-2019**

# A RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH CJM LIMITED LIABILITY LIMITED PARTNERSHIP REGARDING THE ORCHARD LANE COMMERCIAL DEVELOPMENT AREA

#### BE IT HEREBY RESOLVED:

**SECTION 1:** The attached document represents a Development Agreement with CJM Limited Liability Limited Partnership Regarding the Orchard Lane Commercial Development Area.

**SECTION 2:** This Resolution shall become effective upon passage.

Approved on this 1st day of October 2019.

Kirk F. Hunsaker, Mayor

K. Aaron Shirley, City Recorder

Recording Requested By and When Recorded Return to:

Santaquin City Attention: City Manager 275 West Main Santaquin, Utah 84655

Parcel Nos				

#### **AGREEMENT**

THIS AGREEMENT is made and entered into on this \_\_\_\_\_ day of September, 2019 (the "Effective Date"), by and between the City of Santaquin, Utah, a municipality and political subdivision of the State of Utah, hereinafter ("City") and CJM LIMITED LIABILITY LIMITED PARTNERSHIP, an Idaho limited partnership ("CJM"). City and CJM are hereinafter referred to individually as a "Party" and collectively as the "Parties."

#### **RECITALS:**

- A. WHEREAS, Santaquin City has adopted a General Plan governing the development and use of real property pursuant to the provisions of Utah Code Ann., title 10, chapter 9a; and
- B. **WHEREAS**, CJM owns approximately 30.9 acres of property located between 400 East and 600 East, and Main Street and 200 North in Santaquin City, (the "**Property**"), which property is more particularly identified in Exhibit A hereto; and
- C. WHEREAS, CJM desires to develop the Property into a master planned project known as CJM Development, a primary component of which is contemplated to be commercial space (the "Commercial Space"); and
- D. **WHEREAS**, the Parties desire to cooperate in the planning and approval of a Site Plan, for the purpose of encouraging an attractive and useful development that complies with the provisions of the General Plan; and
- E. **WHEREAS**, on May 7, 2019, at duly noticed public meeting, the City approved the reinstatement of certain incentives to CJM as outlined in this Agreement.
- F. WHEREAS, the Parties now desire to enter into this Agreement to establish certain parameters of development of the Property, including phasing, the exchange of certain pieces of real property between the Parties, and other development objectives prior to development of the Property in accordance with the City's General Plan.

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency which is herein acknowledged, the Parties agree as follows:

#### **SECTION I. DEFINITIONS**

Unless the context requires a different meaning, any term or phrase used in this Agreement that has its first letter capitalized shall have that meaning given to it by this Agreement or, if different, by the Santaquin Zoning Ordinance in effect on the Effective Date. Certain such terms and phrases are referenced below; others are defined where they appear in the text of this Agreement.

- 1.1 "Applicable Law" shall have the meaning set forth in Section 3.6 of this Agreement.
  - 1.2 "Approval Date" shall mean the date set forth in Recital E of this Agreement.
- 1.3 "Changes in the Law" shall have the meaning set forth in Section 3.7 of this Agreement.
- 1.4 "Commercial Space" shall have meaning set forth in Recital C of this Agreement, and is anticipated by CJM to include a supermarket and hardware store.
- 1.5 "Development Phase" means each a portion of the Property for which an application for development is filed hereunder.
- 1.6 "Development Standards" means the Santaquin City Construction Standards and Specifications, adopted by the City Council, including any amendments thereto, a copy of which is on file at the Community Development Department and may be reviewed during regular business hours.
- 1.7 "**Effective Date**" shall have the meaning set forth in the introductory paragraph preceding the Recitals.
- 1.8 "Future Laws" means the laws, ordinances, policies, standards, guidelines, directives, procedures and processing fee schedules of City which may be in effect in the future at any time when an application for a Development Phase is submitted and which may or may not apply to such application based upon the terms of this Agreement.
- 1.9 "**Phase 1 Development**" means that portion of the Commercial Space consisting of the supermarket and hardware store.
- 1.10 "**Project**" means any portion of the Property for which an application for development is filed. All or part of the Property shall become a Project as defined herein upon the filing of an application for development that included said property.
- 1.11 "**Property**" means all of the real property owned by CJM as of the Effective Date that is described in Exhibit A.
- 1.12 "Site Plan" means the plan for the development of the Property, approved by the Santaquin City Development Review Committee on July 9, 2019, a copy of which is on file at

the Community Development Department and available for review during regular business hours. A copy of page C1.0 of the Site Plan is attached hereto as Exhibit B.

- 1.13 "**Sub-developer**" means an owner of a Project within the Property which is not CJM, or an affiliate of CJM.
  - 1.14 "**Term**" shall have the meaning set forth in 4.11 of this Agreement.

#### SECTION II. GENERAL RIGHTS AND RESPONSIBILITIES.

- 2.1 General Rights and Responsibilities of CJM.
- 2.1.1 **Development of the Property**. CJM agrees that the Property shall be developed pursuant to the terms and conditions of this Agreement. So long as CJM complies with the conditions of the Site Plan approval, it shall be entitled to construct improvements on the Property generally consistent with the concept for development depicted in the Site Plan, or future plans submitted to and approved by the Santaguin City Council, subject to Applicable Law. To the maximum extent permissible under state and federal law, and at equity, City and CJM agree this Agreement grants to CJM vested rights as that term is construed under common law and pursuant to Utah Code Ann. § 10-9a-509 (2019). The Parties acknowledge and agree that City's agreement to perform and abide by the covenants and obligations of City set forth herein is material consideration for CJM's agreement to perform and abide by the covenants and obligations of CJM set forth herein. Unless otherwise agreed between City and CJM, CJM's vested interest(s) and right(s) contained in this Agreement expire at the end of the Term, or upon termination of this Agreement. Upon termination of this Agreement, for any reason, the obligations of the Parties to each other hereunder shall terminate, but none of the licenses, building permits, or certificates of occupancy granted prior to expiration of the Term or termination of this Agreement shall be rescinded or limited in any manner. No easements, maintenance requirements, or other agreements intended to run with the land shall expire.
- 2.1.2 Conditions of Approval and Impact Fees. With respect to the development of the Property, CJM accepts and agrees to comply with the impact, connection and building fees of the City currently in effect, or as amended; the City agreeing and representing that any schedule of such fees will be applied uniformly within the City or service area of the City, as applicable. CJM acknowledges that the Property requires infrastructure supported by impact fees and finds the fees currently imposed to be a reasonable monetary expression of exactions that would otherwise be required at this time. CJM shall receive credits for impact fees previously paid by the owners of approximately seven structures on the Property that have been, or are in the process of being, demolished, or abandoned.
- 2.1.3 **Dedication of a Portion of the Property to the City**. The Parties agree that a portion of the Property will be dedicated to the City for the purpose of constructing or expanding City streets and/or rights-of-way and related improvements, which will benefit the development and future commercial activity on the Property, and also the residents of the City. As further consideration for this Agreement, within thirty (30) days of the execution of this

Agreement, CJM will transfer to the City, by warranty deed, the following portions of real property, which are attached hereto as exhibits:

- 2.1.3.1 Exhibit C 400 East Street Dedication, comprising approximately 16,450 square feet (0.378 acre);
- 2.1.3.2 Exhibit D 200 North Street Dedication, comprising approximately 85,797 square feet (1.970 acres);
- 2.1.3.3 Exhibit E -500 East Street Dedication, Triangular Parcel, comprising approximately 364.4 square feet (0.00836 acre); and
- 2.1.3.4 Exhibit F Orchard Lane Dedication, comprising approximately 84 square feet.

All taxes due or accrued on the above described properties shall be paid by CJM prior to transfer. Dedication and transfer of the real properties described in this subsection 2.3.1 shall not include any water rights or shares.

- 2.1.4 **Statement Regarding "Compelling, Countervailing Public Interests."** The Parties acknowledge that they are familiar with the "compelling, countervailing public interest" test that is generally an exception to the doctrine of vested rights in the State of Utah.
- 2.1.4.1 The City acknowledges that as of the Effective Date, to the best of its knowledge, information and belief, the City is presently unaware of any material facts under which a desire of the City to modify CJM's rights under this Agreement would be justified by a "compelling, countervailing public interest."
- 2.1.4.2 If, however, it should be determined that there did, in fact, exist, as of the Effective Date, material facts consistent with the exceptions to the vested rights doctrine as set forth in Western Land Equities, Inc. v. City of Logan, 617 P.2d 388 (Utah, 1988), its progeny, or any other exception to the doctrine of vested rights recognized under state or federal law, under which modification of the CJM's rights under this Agreement would be justified by a "compelling, countervailing public interest," CJM acknowledges that it neither has nor had any vested rights as to any matter arising from or affected by any material facts of which the City was not or could not have been aware as of the Effective Date.
- 2.1.5 **Construction Mitigation**. CJM shall provide the following measures, all to the reasonable satisfaction of the City's Engineer, to mitigate the impact of construction within its Project. CJM shall also adhere to the usual construction impact mitigation measures required by the City. Additional reasonable site-specific mitigation measures may be required. The following measures shall be included in each application for development of any Development Phase:
- 2.1.5.1 Protection of existing infrastructure improvements from abuse or damage while new infrastructure improvements are being constructed.

- 2.1.6 Construction of Improvements. CJM has submitted a Site Plan to the City describing its plan for development of the Property (the "Site Plan"), which was approved by the Santaquin City Development Review Committee on July 9, 2019. All utilities and road sections indicated on the Site Plan, and/or necessary for the development of the Property, shall be constructed by CJM, in compliance with the Development Standards. Notwithstanding the foregoing, CJM shall also provide the City with complete plans and specifications for the construction of each roadway indicated on the Site Plan. CJM may in its discretion develop the Property in phases. In developing each phase, CJM shall ensure the logical development through each phase, all in conformance with the requirements of this Agreement and the Development Standards in effect when the application is filed.
- 2.1.7 Compliance with City Requirements and Standards. CJM expressly acknowledges that nothing in this Agreement shall be deemed to relieve CJM from its obligations to comply with all applicable requirements of the City necessary for approval and payment of all applicable fees for a Project in effect at the time of development approval, including the payment of unpaid fees, the approval of plats and site plans, the approval of building permits and construction permits, and compliance with all applicable building, electrical, mechanical, plumbing, and fire codes, and other City ordinances relating to the placement and construction of the proposed structure, that are in effect at the time the person files with the City a completed application.

### 2.2 General Rights and Responsibilities of the City.

- 2.2.1 **Reserved Legislative Powers**. This Agreement shall not limit the future exercise of the police powers of the City to enact ordinances, standards, or rules regulating development. The City acknowledges, however, that any exercise of its legislative or police powers which alters or modifies this Agreement to CJM's detriment may render the City liable to such remedies as may be available to CJM under such circumstances.
- 2.2.2 Construction of Improvements on City Property. All infrastructure improvements for the development of the Property, including those improvements to be dedicated as City streets, shall be constructed by and except as otherwise specifically described herein shall be the sole responsibility of CJM. The City may, but shall be under no obligation to, construct improvements on that portion of the Property transferred to the City by CJM pursuant to the provisions of section 2.2.4 in addition to those described in the Site Plan. In the event, the City shall undertake to construct any such additional improvements on said property, the City shall determine the type, extent and timing of such improvements, and shall be solely responsible for all costs of design, construction and maintenance thereof.
- 2.2.3 **Power of Eminent Domain**. The City agrees that in the event CJM needs to obtain easements or rights of way for the purpose of constructing infrastructure improvements for a Project and is otherwise unable to negotiate a reasonably acceptable contract for such easements or rights of way, the City, upon the request of CJM, may consider exercise of its power of eminent domain to obtain such easements or rights of way, the costs of which, including reasonable attorneys' fees, shall be borne by CJM.

- 2.2.4 **Transfer of City Property to CJM**. Within 30 days of the execution of this Agreement, the City will transfer to CJM by Quit-claim deed, certain portions of real property which will enhance the public health, safety and welfare of the residents of the City; and will increase the prospects for successful development of the CJM property. Those portions of real property to be transferred to CJM by the City are described in the following exhibits attached hereto:
- 2.2.4.1 Exhibit G Orchard Lane Vacation, comprising approximately 37,131 square feet, or 0.852 acre;
- 2.2.4.2 Exhibit H 100 North Street Vacation, comprising approximately 33,059 square feet, or 0.759 acre; and
- 2.2.4.3 Exhibit I Orchard Lane Vacation, SW Corner Parcel, comprising approximately 17,746 square feet, or 0.407 acre.

Some or all of the properties designated in this subsection 2.2.4 are subject to public utility easements. Transfer of those properties shall be subject to all existing easements and rights-of-way. Dedication and transfer of the real properties described in this subsection 2.2.4 shall not include any water rights or shares. The City represents that no property taxes are now due or accruing on the properties describe above. Any taxes resulting for the transfer described herein, or accruing thereafter shall be the sole responsibility of CJM.

- 2.2.5 Vacation of City Streets and Rights-Of-Way. The Parties acknowledge and agree that CJM will complete improvements connecting 200 North to Orchard Lane and all improvements to the dedicated properties as shown on the Site Plan. Upon completion and dedication of 200 North Street to the City, the City will begin procedures necessary to vacate those portions of City streets and/or rights-of-way now existing on the properties transferred to CJM pursuant to Section 2.2.4, including the 100 North Street property described in subsection 2.2.4.2. The vacation process shall not affect the existing easements on those properties, specifically including Santaquin City and public utility easements.
- 2.2.6 **Delivery of Possession of the Properties Transferred to CJM**. All or portions of the properties to be dedicated by the City to CJM, including Orchard Lane and 100 North Street, now serve properties owned by third parties. Completion of the improvements described in the Site Plan must be completed and dedicated to the City before vacation of City Streets pursuant to subsection 2.2.5. Therefore, delivery of possession of the real property described in subsection 2.2.4 shall occur upon dedication by CJM and acceptance by the City of the newly constructed 200 North Street, connecting 400 East Street and Orchard Lane.
- 2.2.7 **City Services**. City agrees that it shall make available (subject to application for service, issuance of applicable permits and payment of connection fees and applicable commodity usage rates) culinary water, sanitary sewer, pressurized irrigation and other municipal services to the Property. Such services shall be provided to the Property at the same levels of services, on the same terms and at rates as approved by the Santaquin City Council, which rates may not differ materially from those charged to others in Santaquin, Utah.

- 2.3 **Incentive Timeline and Benefits**: The Santaquin Community Development Agency ("CDA") has acknowledged the significant benefits that development of the Property, specifically including the construction and operation of the Commercial Space, will provide to the residents of the City; and has agreed to provide incentives as described in this subsection 2.3 to CJM based on the timely commencement of construction and completion of the Phase 1 Development.
- 2.3.1 If the groundbreaking and construction on the Property of at least fifty thousand square feet of Commercial Space consisting of a supermarket or combination supermarket and hardware store, commences on or before November 5, 2019, the CDA will provide a financial incentive of four-hundred thousand dollars (\$400,000.00) to CJM to offset the cost of road construction needed to support the Phase 1 Development of the commercial development within the Orchard Lane Commercial Development Area. In addition, the CDA will waive the water dedication requirement for the Phase 1 Development in an amount of twenty four thousand six hundred dollars (\$24,600).
- 2.3.2 If the groundbreaking and construction on the Property of at least fifty thousand square feet of Commercial Space consisting of a supermarket or combination supermarket and hardware store commences between November 5, 2019 and February 5, 2020, the CDA will provide a financial incentive of three-hundred thousand dollars (\$300,000.00) to CJM to offset the cost of road construction needed to support the Phase 1 Development of the commercial development within the Orchard Lane Commercial Development Area. In addition, the CDA will waive the water dedication requirement for the Phase 1 Development in an amount of twenty four thousand six hundred dollars (\$24,600).
- 2.3.3 If the groundbreaking and construction on the Property of at least fifty thousand square feet of Commercial Space consisting of a supermarket or combination supermarket and hardware store, commences between February 6, 2020 and May 5, 2020, the CDA will provide a financial incentive of two-hundred thousand dollars (\$200,000.00) to CJM to offset the cost of road construction needed to support the Phase 1 Development of the commercial development within the Orchard Lane Commercial Development Area. In addition, the CDA will waive the water dedication requirement for the Phase 1 Development in an amount of twenty four thousand six hundred dollars (\$24,600).
- 2.3.4 If the groundbreaking and construction on the Property of at least fifty thousand square feet of Commercial Space consisting of a supermarket or combination supermarket and hardware store, commences between May 6, 2020 and August 5, 2020, the CDA will provide a financial incentive of one-hundred thousand dollars (\$100,000.00) to CJM to offset the cost of road construction needed to support the Phase 1 Development of the commercial development within the Orchard Lane Commercial Development Area. In addition, the CDA will waive the water dedication requirement for the Phase 1 Development in an amount of twenty four thousand six hundred dollars (\$24,600).
- 2.3.5 If the groundbreaking and construction on the Property of at least fifty thousand square feet of Commercial Space consisting of a supermarket or combination supermarket and hardware store, commences on or after August 5, 2020, the CDA will not provide a financial incentive to offset the cost of road construction needed to support the Phase 1

Development of the commercial development within the Orchard Lane Commercial Development Area. However, the CDA will continue to waive the water dedication requirement for the Phase 1 Development in an amount of twenty four thousand six hundred dollars (\$24,600).

2.3.6 All road construction financial incentives require three (3) bids to insure the lowest possible costs are paid for contracted services in accordance with procedures at least as stringent as set forth in *Utah Admin. Code* §§ R33-1-4 and R33-1-12. All construction must meet Santaquin City Construction Standards and pass Santaquin City Inspections. Payments will be made directly to the contractor responsible for the construction of the roads specified in this subsection to offset the construction costs of: 500 East Street from 100 North to 200 North; 200 North Street from Orchard Lane to 400 East; and/or 400 East Street widening from 100 North to 200 North. In addition, Transportation Impact Fees paid for the Phase 1 Development will also be used to offset road construction costs pursuant to the aforementioned requirements.

For the purposes of the reimbursement, the term groundbreaking is defined as a public ceremony which will commence the construction of the Commercial Space in Santaquin, Utah. On the date of the groundbreaking, the contract for the construction of the Commercial Space, must be awarded; a complete application for a city building permit must be submitted; related infrastructure must have been previously bid and awarded; and the contractor must be either mobilized or in the process of mobilizing to commence construction.

2.4 **Improvements to the Main Street and 400 East Corner.** CJM agrees that fifty thousand dollars (\$50,000.00) of the incentive paid pursuant to subsection 2.3 will be used to pay for the improvements to the property owned by the City and located at the northeast corner of approximately Main Street and 400 East Street, as designated in the Site Plan. Said improvements shall be designed and constructed by CJM after approval of the City. All costs in excess of \$50,000.00 for said improvements located on such property owned by the City shall be the sole responsibility of the City.

#### SECTION III. GENERAL PROVISIONS

- 3.1 Covenants Running with the Land. 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 hereof shall bind and inure to the benefit of each of the Parties hereto and all successors in interest to the Parties hereto. All successors in interest shall succeed only to those benefits and burdens of this Agreement which pertain to the portion of the Property to which the successor holds title. Such titleholder is not a third party beneficiary of the remainder of this Agreement or to zoning classifications and benefits relating to other portions of the Property.
- 3.2 **Transfer of Property**. CJM shall have the right to assign or transfer all or any portion of its rights and obligations under this Agreement, only upon written agreement of the City. CJM shall provide written notice to the City of any completed assignment or transfer. In the event of an assignment, the transferee shall succeed to all of CJM's rights and obligations under this Agreement.

- 3.3 **No Agency, Joint Venture or Partnership**. It is specifically understood and agreed to by and among the Parties that: (i) development of the Property and each Project is a private development; (ii) City and CJM hereby renounce the existence of any form of agency relationship, joint venture or partnership among City and CJM, or any of CJM's successors in interest and assigns; and (iii) nothing contained herein shall be construed as creating any such relationship among City and CJM.
- 3.4 **Consent**. In the event this Agreement provides for consent from the City, or CJM, such consent shall be deemed to be given thirty (30) days after consent is requested in writing in the event no response to the request is received within that period. All requests for consent shall be made in writing, and in no event shall consent be unreasonably withheld or delayed. City will use reasonable efforts to process any application for a Development Phase promptly.
- 3.5 **Legal Challenges**. In the event that any person challenges this Agreement or the Development contemplated herein, upon request by CJM, or with notice to CJM and CJM's consent or acquiescence, the City may undertake to defend this Agreement or the Development. In such a case where CJM formally consents in writing, CJM agrees that it shall be liable for all legal fees, including attorneys' fees, expenses, and/or court costs incurred by the City upon presentation to CJM of an itemized list of costs, expenses, and fees.
- 3.6 **Applicable Law**. Unless otherwise provided herein, the rules, regulations, official policies, standards and specifications applicable to the development of the Property (the "**Applicable Law**") shall be those rules, regulations, official policies, standards and specifications, including City ordinances and resolutions, in force and effect on the Approval Date.
- 3.7 **State and Federal Law**. Notwithstanding any other provision of this Agreement, this Agreement shall not preclude the application of changes in laws, regulations, plans or policies, to the extent that such changes are specifically mandated and required by changes in state or federal laws or regulations ("**Changes in the Law**") applicable to the Property. In the event the Changes in the Law prevent or preclude compliance with one or more provisions of this Agreement, such provisions of the Agreement shall be modified or suspended, or performance thereof delayed, as may be necessary, to comply with the Changes in the Law.
- 3.8 Applications Under City's Future Laws. Without waiving any rights granted or benefits imparted by this Agreement, CJM may at any time, choose to submit an application for a Development Phase under the City's Future Laws in effect at the time of such application. Any such application for a Development Phase filed for consideration under the City's Future Laws shall be governed by all portions of the City's Future Laws related to such application. The election of CJM at any time to submit an application for a Development Phase under the City's Future Laws shall not be construed to prevent or limit CJM from submitting and relying for other applications for Development Phases pursuant to the rights vested under this Agreement, including the Applicable Laws.

#### SECTION IV. MISCELLANEOUS

- 4.1 **Incorporation of Recitals, Introductory Paragraphs, and Exhibits**. The Recitals contained in this Agreement, the introductory paragraph preceding the Recitals, and all Exhibits referred to or attached hereto are hereby incorporated into this Agreement as if fully set forth herein.
- 4.2 **Other Miscellaneous Terms**. The singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive.
- 4.3 **Severability**. If any provision of this Agreement or the application of any provision of this Agreement to a particular situation is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect.
- 4.4 **Construction**. This Agreement has been reviewed and revised by legal counsel for CJM and the City, and no presumption or rule that ambiguities shall be construed against the drafting Party shall apply to the interpretation or enforcement of this Agreement.
- 4.5 **Further Assurances, Documents, and Acts**. Each of the Parties hereto agrees to cooperate in good faith with the others, and to execute and deliver such further documents, and to take all further actions reasonably necessary in order to carry out the intent and purposes of this Agreement and the actions contemplated hereby. All provisions and requirements of this Agreement shall be carried out by each Party as allowed by law.
- 4.6 **Assignment**. Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned by CJM to any other party, individual or entity without assigning the rights as well as the obligations under this Agreement. The rights of the City under this Agreement shall not be assigned.
- 4.7 **Governing Law, and Dispute Resolution, and Attorney's Fees**. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.
- Any and all disputes arising out of or related to this 4.7.1Mediation. Agreement or the Parties' performance hereunder shall be submitted to mediation before a mutually-acceptable mediator prior to initiation of litigation or any other binding or adjudicative dispute resolution process. The Parties shall: (i) mediate in good faith; (ii) exchange all documents which each believes to be relevant and material to the issue(s) in dispute; (iii) exchange written position papers stating their position on the dispute(s) and outlining the subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the dispute(s), and; (iv) engage and cooperate in such further discovery as the Parties agree or mediator suggests may be necessary to facilitate effective mediation. Mediator, venue, and related costs shall be shared equally by the Parties. Venue of the mediation shall be the State of Utah. In the event the Parties are unable to agree upon a mediator, the mediator shall be appointed by a court of competent jurisdiction. This provision shall be specifically enforceable according to its terms, including but not limited to an action to compel mediation. The prevailing Party in any action to enforce in whole or in part this mediation clause or in any subsequent arbitration or mediation shall be entitled to reimbursement of attorneys' fees and costs incurred in said action.

- 4.7.2 **Default Litigation**. If any Party hereto is required to engage the services of counsel by reason of the default of another party, the prevailing Party shall be entitled to receive its costs and reasonable attorneys' fees. Said costs and attorneys' fees shall include, without limitation, costs and attorneys' fees incurred in any appeal and in any proceedings under any present or future federal bankruptcy act or state receivership act.
- 4.8 **Notices**. Any notice or communication required hereunder between the Parties must be in writing, and may be given either personally or by registered or certified mail, return receipt requested or by facsimile. If given by registered or certified mail, the same shall be deemed to have been given and received on the first to occur of (i) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (ii) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If personally delivered, a notice is given when delivered to the Party to whom it is addressed. If given by facsimile to the address and number for such Party set forth below (provided, however, that the notice is not effective unless a duplicate copy of the facsimile notice is promptly given by one of the other methods permitted under this paragraph), the notice is deemed to have been given upon receipt by the other Party. Any Party hereto may at any time, by giving ten (10) days written notice to other Parties hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at the address set forth below:

CJM:

CJM Limited Liability Partnership

621 Washington Street South

Twin Falls, ID 83301

With a copy to:

Snell & Wilmer L.L.P.

Attention: AJ Pepper

15 W. South Temple, Suite 1200 Salt Lake City, Utah 84101

City:

Santaquin City

Attention: City Manager

275 West Main

Santaquin, Utah 84655

With a copy to:

Nielsen & Senior

Attention: Brett B. Rich

P.O. Box 970663

1145 South 800 East, Suite 110

Orem, Utah 84097

Email: bbr@ns-law.com

Notice is deemed to have been given on the date on which notice is delivered, if notice is given by personal delivery or confirmed electronic transmission, on the date of delivery to the overnight courier service, if that service is used, and on the date of deposit in the mail, if mailed.

Notice is deemed to have been received on the date on which the notice is actually received or delivery is refused.

- 4.9 **No Third Party Beneficiary**. This Agreement is made and entered into for the sole protection and benefit of the Parties and their assigns. No other party shall have any right of action based upon any provision of this Agreement whether as third party beneficiary or otherwise.
- 4.10 **Counterparts and Exhibits**. This Agreement is executed in two (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of twelve (12) pages, including notary acknowledgment forms, and an additional nine (9) exhibits, which constitute the entire understanding and agreement of the Parties to this Agreement. The following exhibits are attached to this Agreement and incorporated herein for all purposes:

Exhibit A	Legal description of the Property
Exhibit B	Site Plan, page C1.0
Exhibit C	400 East Street Dedication
Exhibit D	200 North Street Dedication
Exhibit E	500 East Street Dedication, Triangular Parcel
Exhibit F	Orchard Lane Dedication
Exhibit G	Orchard Lane Vacation
Exhibit H	100 North Street Vacation
Exhibit I	Orchard Lane Vacation, SW Corner Parcel

- 4.11 **Duration**. This Agreement shall continue in force and effect until the earlier of December 31, 2034, or such time as all obligations hereunder have been satisfied (the "**Term**").
- 4.12 Insurance and Indemnification. CJM shall defend and hold the City and its officers, employees, and consultants harmless for any and all claims, liability and damages arising directly from construction of the Commercial Space, or operations performed under this Agreement by (a) CJM or by CJM's contractors, subcontractors, agents or employees, or (b) any one or more persons directly or indirectly employed by, or acting as agent for, CJM or any of CJM's contractors or subcontractors. Nothing in this Agreement shall be construed to mean that CJM shall defend, indemnify, or hold the City or its elected and appointed representatives, officers, agents and employees harmless from any claims of personal injury, death or property damage or other liabilities arising from (i) the willful misconduct or negligent acts or omissions of the City, or its boards, officers, agents, or employees; and/or (ii) the negligent maintenance or repair by the City of improvements that have been offered for dedication and accepted by the City for maintenance.
- 4.12.1 **Hazardous, Toxic, and/or Contaminating Materials**. CJM further agrees to defend and hold the City and its elected and/or appointed boards, officers, agents, employees, and consultants, harmless from any and all claims, liability, costs, fines, penalties, charges and/or claims of any kind whatsoever relating to the existence and removal of hazardous, toxic and/or contaminating materials, except where such claims, liability, costs, fines, penalties, charges and/or claims are due to the actions of the City.

4.12.2 **Bodily Injury and Property Damage Insurance**. CJM agrees to and shall indemnify and hold the City and its elected and appointed boards, officers, agents, employees, and consultants harmless from and against all liability, loss, damage, costs, or expenses (including reasonable attorneys' fees and court costs) arising from or as a result of the death of any person, or any accident, injury, loss, or damage whatsoever caused to any person or to the property of any person, directly or indirectly caused by any acts done thereon or any errors or omissions of CJM or its agents, servants, employees, or contractors, except for willful misconduct or negligent acts or omissions of the City or its elected and appointed boards, officers, agents, employees, and consultants.

Prior to any construction on the Property, CJM shall furnish or cause to be furnished to the City duplicate originals or appropriate certificates of insurance as follows: (a) Comprehensive general liability (bodily injury and property damage); blanket contractual liability; and personal injury liability, all with limits not less than \$2,000,000 combined single limit per occurrence; and automobile liability, including owned, hired, and non-owned vehicles, up to \$1,000,000; (b) Endorsements shall be obtained for the policies providing the above insurance for the following three provisions:

- 4.12.2.1 **Additional named insureds**. The City and its elected and appointed boards, officers, agents, employees, and consultants are added as additional named insureds with respect to this subject project and contract with the City.
- 4.12.2.2 **Notice**. Said policy shall not terminate nor shall it be canceled or the coverage reduced until after thirty (30) days written notice is given to the City.
- 4.12.2.3 **Primary Coverage**. Said policy and coverage as is afforded to the City and its elected and appointed boards, officers, agents, employees, and consultants shall be primary insurance and not contributing with any other insurance maintained by the City.
- 4.13 **Nondiscrimination**. Neither the City nor CJM, nor the agents, employees, or representatives of either, shall discriminate against, segregate, persecute, oppress, or harass one another's agents, employees, or representatives; other developers, including any potential replacement developer; contractors or subcontractors; the agents, employees, or representatives of any of the foregoing; tenants, owners, occupants, or residents, whether actual or potential; or any other person or entity.
- 4.14 **Acknowledgment**. By its signature below, CJM acknowledges that the respective parcel of property owned by CJM at the time of execution of this Agreement shall be subject to all of the terms and conditions of this Agreement upon execution by the City.
- 4.15 **Amendment**. Unless otherwise stated in this Agreement, the Parties may amend this Agreement by mutual written consent. No amendment or modification to this Agreement shall require the consent or approval of any person or entity having only an interest in any specific lot(s), unit(s) or other portion of the Property.

- 4.16 **Recordation of Development Agreement**. No later than ten (10) days after the City enters into this Agreement, the City shall cause to be recorded an executed copy of this Agreement in the official records of the County of Utah.
- 4.17 **Sub-developer Agreements**. The Parties hereto, or some of them, may enter into separate agreements with Sub-developers or others obtaining rights from CJM, provided however that nothing in any separate agreement may conflict with the entitlements and benefits obtained by CJM in this Agreement without the express written consent of CJM.
- 4.18 **Exclusion from Moratoria**. The Property shall be excluded from any moratorium adopted pursuant to Utah Code § 10-9a-504 unless such a moratorium is found on the record by the Santaquin, Utah City Council to be necessary to avoid jeopardizing a compelling, countervailing public interest.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the Effective Date.

CJM Limited Liability Partnership

Mark Ridley, Authorized Representative

STATE OF UTAH

) :ss

COUNTY OF UTAH

On this \_\_\_\_ day of September, 2019, personally appeared before me Mark Ridley, who after being duly sworn, stated that he is a Member of CJM Limited Liability Partnership; that he is authorized by the same to execute, and that he did execute, the foregoing Agreement.



Notary Public

CITY OF SANTAQUIN

Kirk F. Hunsaker, Mayor

ATTEST:

K. Aaron Shirley, City Recorder

SANTAQUIN January 4, 1932

## EXHIBIT A

### Ridley's Santaquin Existing Overall Site

September 24, 2019

A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base & Meridian, U.S. Survey in Utah County, Utah:

Beginning at a point located 1416.69 feet South 0°30′50″ East along the Quarter Section Line; and 9.16 feet South 89°51′46″ East from the North Quarter Corner of said Section 1; and running thence South 89°51′46″ East 420.94 feet; thence South 89°46′13″ East 792.68 feet to the Northwesterly Line of Orchard Lane; thence North 89°51′14″ East 114.45 feet to the Southeasterly Line of Orchard Lane; thence South 89°20′43″ East 201.44 feet; thence South 0°03′55″ West 271.44 feet; thence South 88°33′39″ East 157.31 feet; thence South 2°16′40″ West 48.54 feet to the Northwesterly Line of Interstate Highway I-15; thence along said Northwesterly Line the following two courses: South 37°26′22″ West 75.35 feet; and South 44°34′11″ West 1044.87 feet to the Northerly Line of Main Street; thence along said Northerly Line the following two courses: South 87°33′23″ West 169.10 feet; and North 89°46′05″ West 720.35 feet to the East Line of 400 East Street; thence North 0°30′56″ East 632.36 feet along said East Line; thence North 89°29′04″ West 21.57 feet; thence North 0°01′49″ West 506.05 feet to the point of beginning.

Contains 1,547,982 sq. ft. or 35.537 acres

Excepting therefrom the existing roadways.

## EXHIBIT B

## EXHIBIT C

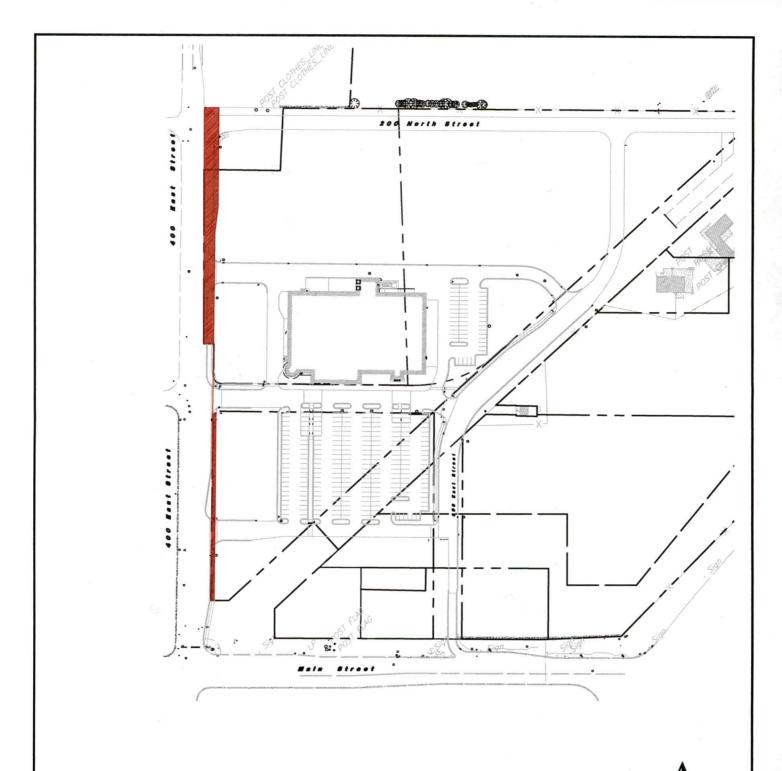
#### Ridley's Santaquin 400 East Street Dedication

July 9, 2019

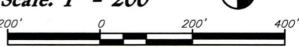
A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Utah County, Utah:

Beginning at the Northwest Corner of Grantor's Property located 1416.68 feet South 0°30′42″ East along the Quarter Section Line; and 9.22 feet South 89°51′46″ East from the North Quarter Corner of said Section 1; and running thence South 89°51′46″ East 32.39 feet along the North Line of Grantor's Property; thence South 0°30′56″ West 213.36 feet; thence South 6°47′35″ West 54.87 feet; thence South 0°30′56″ West 238.33 feet; thence South 0°30′56″ West 160.00 feet along a tie line; thence Northeasterly along the arc of a 15.00 foot radius curve to the right a distance of 15.30 feet (Center bears South 89°29′04″ East, Central Angle equals 58°27′05″ and Long Chord bears North 29°44′29″ East 14.65 feet); thence South 0°30′56″ West 404.79 feet; thence North 89°49′57″ West 7.15 feet to the East Line of 400 East Street; thence North 0°30′56″ East 392.05 feet; thence retracing North 0°30′56″ East 160.00 feet along a tie line; thence North 89°29′04″ West 21.57 feet to the West Line of Grantor's Property; thence North 0°01′49″ West 506.05 feet along said West Line to the point of beginning.

Contains 16,450 sq. ft. or 0.378 acre



Total Area = 16,449.9 s.f. (0.378 Acres) Scale: 1" = 200'





Ridley's Market Santaquin, Utah

D

Designed By: SY Drafted By: SBT Client Name: Ridley's Market 13-030 Legal EX

10 Jul, 2019

400 East Dedication

## EXHIBIT D

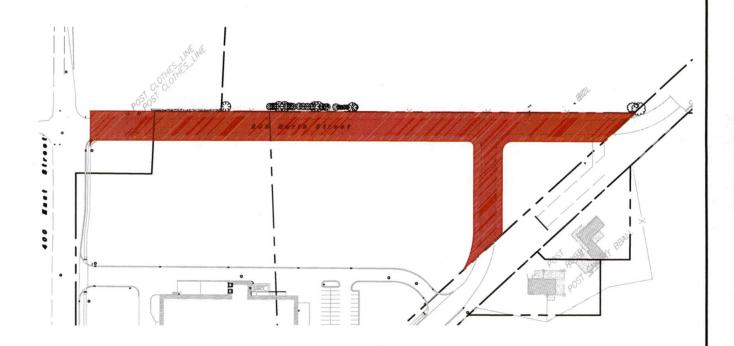
# Ridley's Santaquin 200 North Street Dedication

July 9, 2019

A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Utah County, Utah:

Beginning at a point on the North Line of Grantor's Property located 1416.68 feet South 0°30'42" East along the Quarter Section Line; and 41.61 feet South 89°51'46" East from the North Ouarter Corner of said Section 1; and running thence South 89°51′46" East 388.55 feet along said North Line to an angle point in said Line; thence South 89°46'13" East 792.68 feet along said North Line to the Northwesterly Line of Orchard Lane; thence South 47°49'42" West 91.94 feet along said Northwesterly Line; thence North 89°46'13" West 197.73 feet to a point of curvature; thence Southwesterly along the arc of a 21.00 foot radius curve to the left a distance of 32.99 feet (Central Angle equals 90°00'00" and Long Chord bears South 45°13'47" West 29.70 feet) to a point of tangency; thence South 0°13'47" West 172.28 feet to a point of curvature: thence Southwesterly along the arc of a 233.00 foot radius curve to the right a distance of 6.54 feet (Central Angle equals 1°36'29" and Long Chord bears South 1°02'01" West 6.54 feet) to the Northwesterly Line of Orchard Lane; thence South 47°49'42" West 112.49 feet along said Northwesterly Line; thence Northeasterly along the arc of a 171.00 foot radius curve to the left a distance of 85.97 feet (Center bears North 60°57′57" West, Central Angle equals 28°48'16" and Long Chord bears North 14°37'55" East 85.07 feet) to a point of tangency; thence North 0°13'47" East 181.28 feet to a point of curvature; thence Northwesterly along the arc of a 12.00 foot radius curve to the left a distance of 18.85 feet (Central Angle equals 90°00'00" and Long Chord bears North 44°46'13" West 16.97 feet) to a point of tangency; thence North 89°46'13" West 432.01 feet; thence North 89°51'46" West 376.98 feet to a point of curvature; thence Southwesterly along the arc of a 12.00 foot radius curve to the left a distance of 18.77 feet (Central Angle equals 89°37′17" and Long Chord bears South 45°19′35" West 16.91 feet); thence North 0°30′56″ East 73.92 feet to the point of beginning.

Contains 85,797 sq. ft. or 1.970 acres



Total Area = 85,796.8 s.f. (1.969 Acres) Scale: 1" = 200'





200 North Dedication
Ridley's Market
Santaquin, Utah

E

Designed By: SY

Drafted By: SBT

Client Name:
Ridley's Market

13-030 Legal EX

400'

10 Jul, 2019

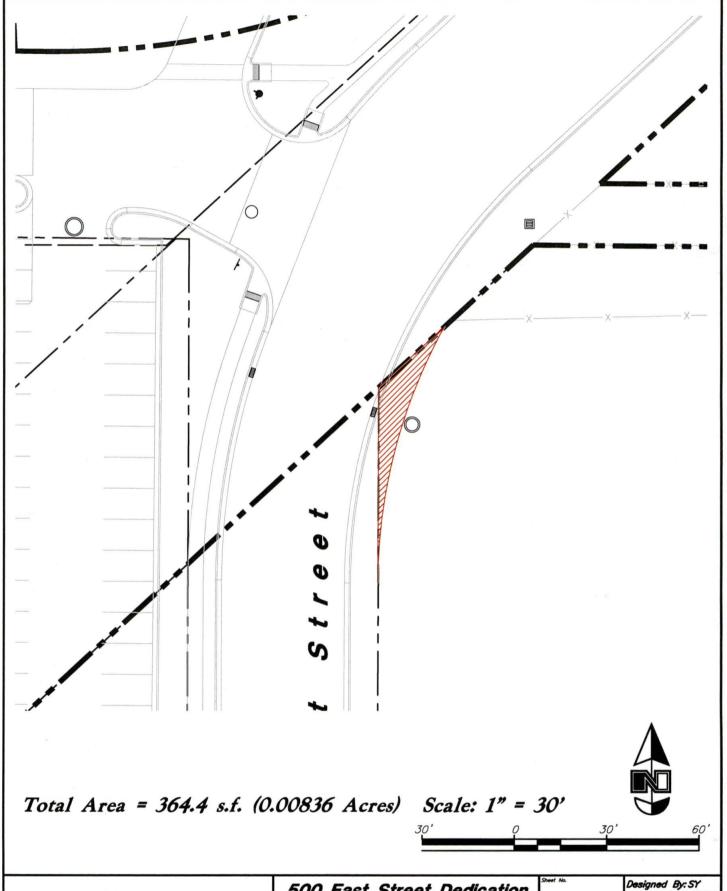
## EXHIBIT E

Ridley's Santaquin 500 East Street Dedication Triangular Parcel July 10, 2019

A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Utah County, Utah:

Beginning at the Intersection Point of the East Line of 500 East Street and the Southeasterly Line of Orchard Lane located 572.43 feet North 89°42′20″ East along the Section Line; and 2122.92 feet South 0°17′40″ East from the North Quarter Corner of said Section 1; and running thence North 47°32′35″ East 29.07 feet along said Southeasterly Line of Orchard Lane; thence Southwesterly along the arc of a 171.00 foot radius curve to the left a distance of 86.46 feet (Center bears South 60°51′53″ East, Central Angle equals 28°58′04″ and Long Chord bears South 14°39′05″ West 85.54 feet) to a point of tangency on the East Line of 500 East Street; thence North 0°10′03″ East 63.13 feet along said East Line to the point of beginning.

Contains 364 sq. ft.





500 East Street Dedication

Ridley's Market

Santaquin, Utah

Designed By: SY

Drafted By: SBT

Client Name: Ridley's Market 13-030 Legal EX

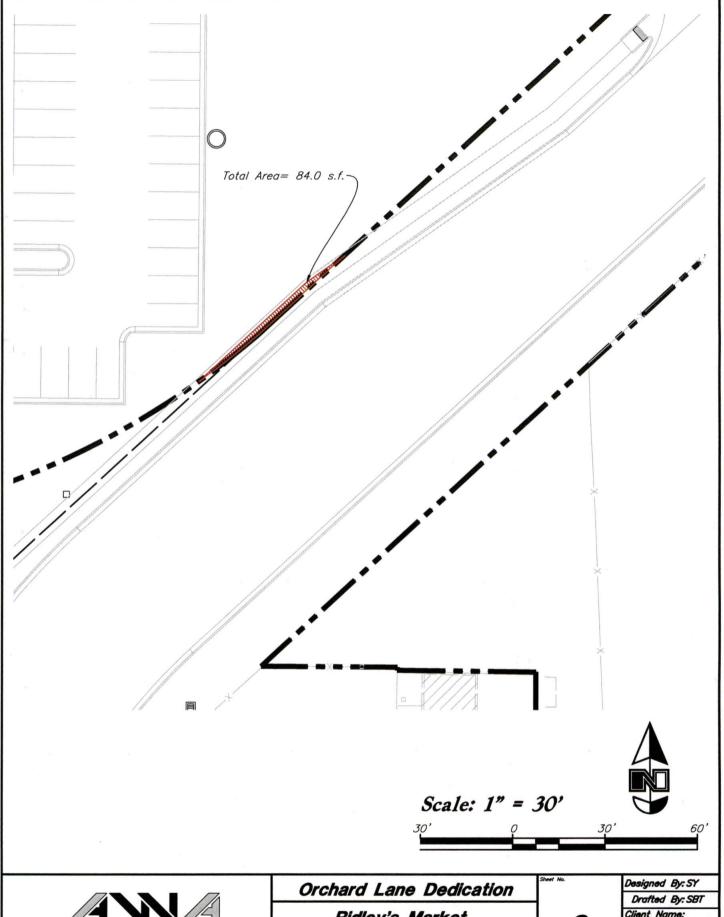
10 Jul, 2019

## EXHIBIT F

A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Utah County, Utah:

Beginning at a point on the Northwesterly Line of Orchard Lane located 672.43 feet North 89°42′20″ East along the Section Line; and 1925.40 feet South 0°17′40″ East from the North Quarter Corner of said Section 1; and running thence South 47°49′42″ West 38.19 feet along said Northwesterly Line of Orchard Lane to a point of curvature; thence Southwesterly along the arc of a 270.00 foot radius curve to the right a distance of 24.25 feet (Center bears North 40°21′15″ West, Central Angle equals 5°08′44″ and Long Chord bears South 52°13′07″ West 24.24 feet); thence North 47°49′20″ East 47.46 feet; thence North 54°56′50″ East 15.01 feet to the point of beginning.

Contains 84 sq. ft.





Ridley's Market

Santaquin, Utah

Client Name: Ridley's Market 13-030 Legal EX

10 Jul, 2019

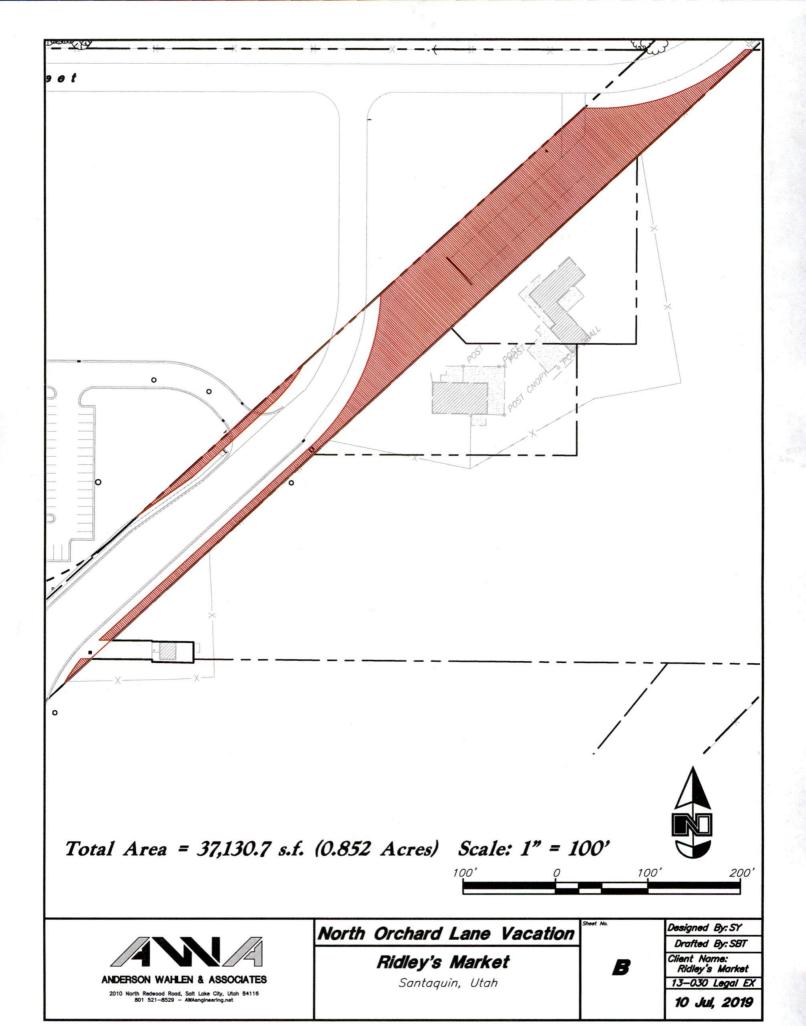
## EXHIBIT G

# Ridley's Santaquin Orchard Lane Vacation

A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Utah County, Utah:

Beginning at a point on the Southeasterly Line of Orchard Lane located 1342.62 feet North 89°42′20" East along the Section Line; and 1427.46 feet South 0°17′40" East from the North Quarter Corner of said Section 1; and running thence South 47°37'42" West 940.29 feet along said Southeasterly Line of Orchard Lane; thence South 47°40'47" West 29.51 feet along a tie line; thence South 47°32'35" West 38.83 feet along the Southeasterly Line of Orchard Lane; thence Northeasterly along the arc of a 171.00 foot radius curve to the right a distance of 31.96 feet (Center bears South 60°51′53" East, Central Angle equals 10°42′36" and Long Chord bears North 34°29'25" East 31.92 feet); thence South 89°29'50" East 10.58 feet; thence retracing North 47°40'47" East 29.51 feet along a tie line; thence North 89°35'47" West 12.93 feet; thence North 47°49'20" East 308.97 feet to a point of curvature; thence Northeasterly along the arc of a 233.00 foot radius curve to the left a distance of 187.00 feet (Central Angle equals 45°59'05" and Long Chord bears North 24°49'48" East 182.02 feet) to the Northwesterly Line of Orchard Lane; thence South 47°49'42" West 112.49 feet along a tie line; thence Southwesterly along the arc of a 171.00 foot radius curve to the right a distance of 56.07 feet (Center bears North 60°57′57" West, Central Angle equals 18°47′17" and Long Chord bears South 38°25′41" West 55.82 feet) to a point of tangency; thence South 47°49'20" West 117.44 feet; thence South 54°56′50" West 73.67 feet to the Northwesterly Line of Orchard Lane; thence North 47°49'42" East 245.61 feet along said Northwesterly Line; thence retracing North 47°49'42" East 112.49 feet along a tie line; thence North 47°49'42" East 296.33 feet along the Northwesterly Line of Orchard Lane; thence South 89°46'13" East 15.76 feet to a point of curvature; thence Northeasterly along the arc of a 231.00 foot radius curve to the left a distance of 170.98 feet (Central Angle equals 42°24'27" and Long Chord bears North 69°01'33" East 167.10 feet) to a point of tangency; thence North 47°49′20″ East 3.52 feet; thence South 89°20′43″ East 8.19 feet to the point of beginning.

Contains 37,131 sq. ft. or 0.852 acre



## EXHIBIT H

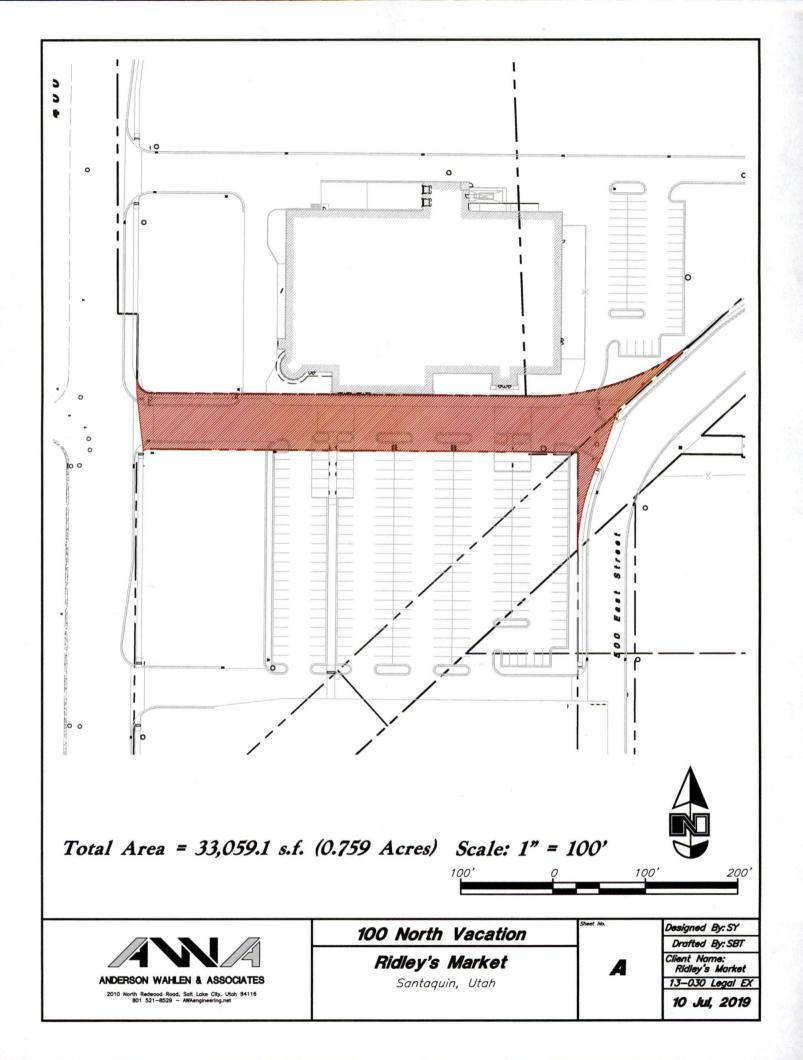
# Ridley's Santaquin 100 North Street Vacation

July 9, 2019

A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Utah County, Utah:

Beginning at a point on the East Line of 400 East Street located 1993.19 feet South 0°30'42" East along the Quarter Section Line; and 25.28 feet North 89°29'18" East from the North Quarter Corner of said Section 1; and running thence Southeasterly along the arc of a 15.00 foot radius curve to the left a distance of 23.56 feet (Center bears South 89°29'04" East, Central Angle equals 90°00'00" and Long Chord bears South 44°29'04" East 21.21 feet) to a point of tangency; thence South 89°29'04" East 418.83 feet to a point of curvature; thence Northeasterly along the arc of a 270.00 foot radius curve to the left a distance of 168.35 feet (Central Angle equals 35°43'27" and Long Chord bears North 72°39'13" East 165.63 feet); thence South 47°49'20" West 93.81 feet; thence South 19°16'14" West 52.56 feet; thence Southwesterly along the arc of a 233.00 foot radius curve to the left a distance of 112.26 feet (Center bears South 62°13'40" East, Central Angle equals 27°36'17" and Long Chord bears South 13°58'12" West 111.18 feet) to the West Line of 500 East Street; thence North 0°10'03" East 110.70 feet along said West Line; thence North 89°29'04" West 464.09 feet to a point of curvature; thence Southwesterly along the arc of a 15.00 foot radius curve to the left a distance of 8.26 feet (Central Angle equals 31°32'55" and Long Chord bears South 74°44'29" West 8.16 feet); thence North 0°30'56" East 4.39 feet; thence North 6°32'41" West 58.19 feet; thence North 0°30′56" East 15.08 feet to the point of beginning.

> Contains 33,059 sq. ft. or 0.759 acre



## EXHIBIT I

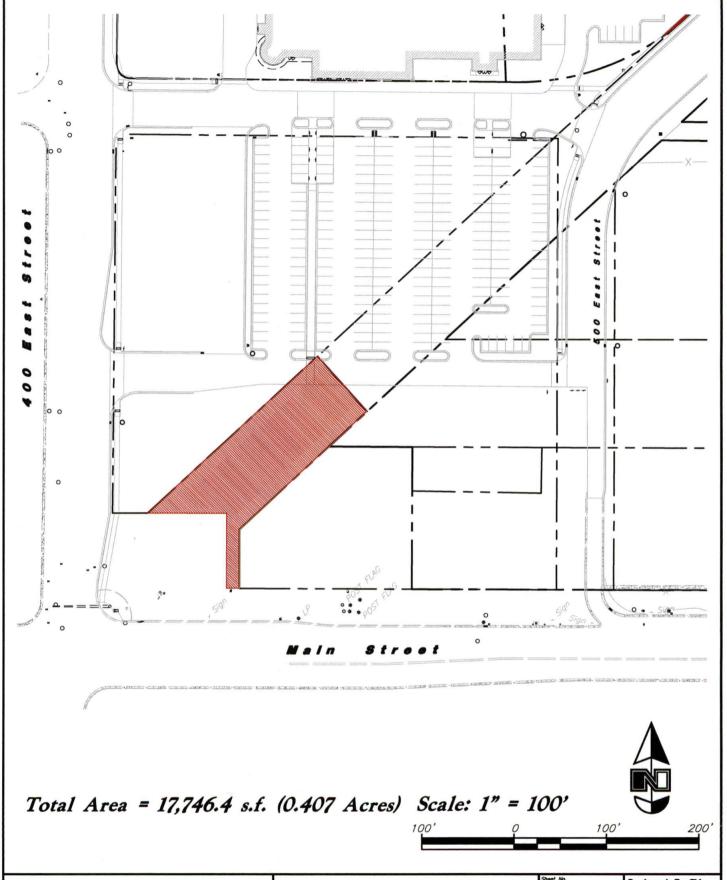
#### Ridley's Santaquin Orchard Lane Vacation SW Corner Parcel

July 10, 2019

A part of the Northeast Quarter of Section 1, Township 10 South, Range 1 East, Salt Lake Base and Meridian, U.S. Survey in Utah County, Utah:

Beginning at a point on the Northwesterly Line of Orchard Lane located 2474.96 feet South 0°30′42″ East along the Quarter Section Line; and 54.64 feet South 89°49′57″ East from the North Quarter Corner of said Section 1; and running thence North 47°32′35″ East 249.87 feet along said Northwesterly Line to the Southwesterly end of the previously vacated portion of Orchard Lane; thence South 42°10′40″ East 80.00 feet along said Southwesterly Line to the Southeasterly Line of Orchard Lane; thence South 47°32′35″ West 187.88 feet along said Southeasterly Line; thence South 63.31 feet to the North Line of Main Street; thence North 89°46′05″ West 13.70 feet along said North Line; thence North 0°13′49″ East 80.45 feet; thence North 89°49′57″ West 86.07 feet to the point of beginning.

Contains 17,746 sq. ft. or 0.407 acre





South Orchard Lane Vacation
Ridley's Market

Santaquin, Utah

Designed By: SY
Drafted By: SBT
Client Name:
Ridley's Market
13-030 Legal EX

10 Jul, 2019