RESOLUTION No. 11-04-2010

A RESOLUTION OF THE SANTAQUIN CITY COUNCIL AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN APEX STORAGE LLC AND SANTAQUIN CITY

- A. WHEREAS, Developer is the owner of certain real property that is located within the boundaries of Santaquin City that is presently undeveloped (hereinafter, the "Property"); and
- B. WHEREAS, a portion of the Property is presently included in a Commercial zone and the remainder of the property is included in an Industrial zone; and
- C. WHEREAS, Developer has requested that the Property be re-zoned to facilitate development of the Property in a manner that will provide increased benefit to Developer; and
- D. WHEREAS, the City desires to facilitate the development of the Property in a timely manner that will enhance and beautify the City; and
- E. WHEREAS, on October 14, 2010, after proper notice, a public hearing was held concerning the proposed re-zoning of the Property; and
- F. WHEREAS, the Parties desire now to enter into an Agreement to establish development parameters for the Property and to accomplish the re-zoning of the Property;

NOW THEREFORE, BE IT RESOLVED BY THE SANTAQUIN CITY COUNCIL-THAT:

- The Council approves and authorizes the Mayor to execute the DEVELOPMENT AGREEMENT FOR APEX STORAGE LLC, a copy of which is attached hereto as Exhibit A and incorporated herein.
 - 2. This Resolution shall take effect immediately upon its passage.

PASSED AND APPROVED this 3rd day of November, 2010.

James E. DeGraffenried, Mayor

ATTEST:

Susan B. Farnsworth
Santaguin City Recorder

Laurowest

4826-7073-8183. SA605.004

DEVELOPMENT AGREEMENT FOR APEX STORAGE LLC

THIS DEVELOPMENT AGREEMENT (the "Agreement") is entered into as of the 3d day of November, 2010, by and between Apex Storage LLC, a Utah limited liability company ("Developer"), and Santaquin City, a fifth class city of the State of Utah ("City") (together, the "Parties").

RECITALS

- A. WHEREAS the Developer is the owner of certain real property that is located within the boundaries of Santaquin City and is presently undeveloped (hereinafter, the "Property"), which Property is more particularly described in Exhibit A attached hereto; and
- B. WHEREAS a portion of the Property is presently included in a Commercial zone and the remainder of the property is an Industrial zone; and
- C. WHEREAS, the Developer desires to develop the remainder of the Property in a manner that is not permitted in the present zone and has requested that the Property be re-zoned to facilitate such development; and
- D. WHEREAS on October 14, 2010, after proper notice, a public hearing was held concerning the proposed re-zoning of the Property; and
- E. WHEREAS the Parties intend to enter into this Agreement to establish development parameters for the Property and to take all steps necessary to finalize the re-zoning of the Property, and to develop the entire Property according to this Agreement;

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and consideration hereafter set forth, the sufficiency of which the Parties hereby acknowledge, 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 date of a complete application. Certain such terms and phrases are referenced below; others are defined where they appear in the text of this Agreement.

- 1.1 "Application" means that certain application for re-zoning dated October 7, 2008.
- 1.2 "Buildout" means the completion of all of the development of the Property.
- 1.3 "Commercial" means a Commercial or C1 zone as defined in Santaquin City ordinances.
- 1.4 "Concept Plan" means that drawing that depicts the proposed placement of storage buildings on the Property, a copy of which is attached hereto as Exhibit B.

- 1.5 "Developer" means any person or entity that initiates any development of any portion of the Property together with all assigns and successors in interest, whether in whole or in part. Developer may include more than one individual or entity.
- 1.6 "Development" means any initiation or commencement of subdividing of all or any portion of the Property, including the submission to the City of any concept plan, preliminary plat, final plat, or the submission of any application for a building permit prior to approval of a final subdivision plat.
- 1.7 **"Development Standards"** means the Santaquin City Construction Standards and Specification Details, together with all City standards as adopted.
- 1.8 "Elevations" means those building elevations presented for construction on the Property, copies of which are attached hereto as Exhibit C.
 - 1.9 "Industrial" means an Industrial or I1 zone as defined in Santaquin City ordinances.

SECTION II. GENERAL RIGHTS AND RESPONSIBILITIES.

- 2.1 General Rights and Responsibilities of Developer.
- 2.1.1 **Development of the Property.** As consideration for the agreement to re-zone the Property as requested in the Application, Developer agrees that the entire Property shall only be developed pursuant to the terms and conditions of this Agreement.
- 2.1.2 Conditions of Approval and Impact Fees. With respect to the development of the Property, Developer 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. Developer 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. Developer agrees not to challenge, contest or bring a judicial action seeking to avoid payment of or to seek reimbursement for such fees, so long as such fees are applied uniformly within the City or service area and Developer, or its successors, receives those credits and offsets against such fees as may be provided in this Agreement.
- 2.1.3 **Developer Reliance**. The City acknowledges that the Developer is relying on the execution and continuing validity of this Agreement and the City's faithful performance of the City's obligations under this Agreement. Developer acknowledges that the City is relying on the execution and continuing validity of this Agreement and Developer's faithful performance of its obligations under this Agreement in continuing to perform the obligations of the City hereunder.
- 2.1.4 "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 date of this Agreement, 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 the Developer's rights under this Agreement would be justified by a "compelling, countervailing public interest."
- 2.1.4.2 If, however, it should be discovered that there did, in fact, exist, as of the date of this Agreement, material facts under which modification of the Developer's rights under this Agreement would be justified by a "compelling, countervailing public interest," Developer 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 date of this Agreement.
- 2.1.5 Compliance with City Requirements and Standards. Developer expressly acknowledges that nothing in this Agreement shall be deemed to relieve Developer from its obligations to comply with all applicable requirements of the City necessary for approval and recordation of plats and site plans for development 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 ordinances, resolutions, policies and procedures of the City.

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 Developer's detriment may render the City liable to such remedies as may be available to Developer under such circumstances.
- 2.2.2 **Power of Eminent Domain**. The City agrees that in the event Developer needs to obtain easements or rights of way for the purpose of constructing infrastructure improvements for development and is otherwise unable to negotiate a reasonably acceptable contract for such easements or rights of way, the City, upon the request of such Developer, 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 said Developer.
- 2.3 **Recording.** Developer and the City shall cause this Agreement, together with all exhibits and attachments, to be recorded with the county recorder of Utah County.

SECTION III. SPECIFIC RIGHTS AND RESPONSIBILITIES

3.1 Developer Obligations.

3.1.1 ConstructionTimetable. Upon execution of this Agreement, Developer may apply for a building permit to construct building "F" as depicted on the Concept Plan. Within three (3) years of the execution of this Agreement, Developer shall complete construction of and obtain a Certificate of Occupancy for building "G" as depicted on the Concept Plan. After a Certificate of Occupancy has been issued for building "G" and also within three (3) years of the execution of this Agreement, Developer shall complete construction of and obtain a Certificate of Occupancy for building "I", as depicted on the Concept Plan. After a Certificate of Occupancy has been issued for building "I",

Developer may apply for building permits and construct the remaining buildings depicted on the Concept Plan.

- 3.1.2 **Exterior Elevations.** Buildings "G", "I", "J" and "N" as depicted on the Concept Plan shall be constructed in compliance with the Elevations.
- 3.1.3 **Construction Standards.** All buildings shall be constructed in compliance with the Development Standards. Developer shall be responsible for the provision of all utility infrastructure necessary to comply with the Development Standards.
- 3.1.4 Landscaping. Upon the City's approval of any plat or building permit for development on the Property, Developer thereof shall construct and create, at said Developer's sole cost and expense, landscape improvements as set forth in the Development Standards. Such landscape improvements shall include the construction, creation, and maintenance of such improvements as shall be approved by the City in connection with the required development process.
- 3.1.5 **Remedies.** In the event that Developer fails to construct the buildings in the manner and pursuant to the timetables set forth in this section 3.1, City may, in addition to any other remedies available at law, initiate proceedings to re-zone the Property to Commercial and Developer specifically agrees that in such event it will not protest or otherwise oppose such re-zoning of the Property.

3.2 City Obligations.

- 3.2.1 **Re-zoning.** In recognition and consideration for the Developer's agreement to develop the remainder of the Property as provided in the Agreement, the City agrees to re-zone the Property as set forth in the Application.
- 3.2.2 Level of Service. Upon construction of all structures as provided in this Agreement to City specifications and standards, the payment of or credit against all required impact fees and dedication and acceptance of all lines and necessary sewer-related improvements and easements, the City shall provide to all residential and nonresidential use areas in the Project, City services at a level generally provided to other areas of the City.

SECTION IV. ZONING

4.1 Amendment of Santaquin Zoning Map. Upon execution of this agreement the City shall proceed to amend the Santaquin City Zoning Map to include all of the Property in an Industrial zone.

SECTION V. GENERAL PROVISIONS

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 Project to which the successor holds title and to those provisions concerning off site improvements, incluidng, but no t limited to, trails, roads and utilities. 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 Project Area.

5.2 Transfer of Property.

- 5.2.1 **Developer Qualifications.** Developer acknowledges that its qualifications and identity are of particular concern to the City, and that it is because of such qualifications and identity that the City is entering into this Agreement. Accordingly, Developer agrees for itself and any successor in interest that, prior to the contemplated completion of the terms of this Agreement, Developer shall not convey, assign, or dispose of any part of the Property, to another, except as provided herein, unless the proposed replacement owner has satisfactory financing and sufficient skill to take over the contemplated development of the Project.
- 5.2.2 Change in Ownership. Developer shall have the right, with the City's consent, to assign or transfer all or any portion of its rights and obligations under this Agreement to any party acquiring an interest or estate in the Property or any portion thereof, except as specifically set forth below. The City may not unreasonably withhold its consent to such assignment. Developer shall provide written notice of any proposed or completed assignment or transfer with a complete description of the proposed assignee, its financial statements and development experience. Unless the City objects in writing within thirty (30) days, the City shall be deemed to have approved of and consented to the assignment. In the event of an assignment, the transferee shall succeed to all of Developer's rights and obligations under this Agreement. Notwithstanding the foregoing, the sale or conveyance of individual platted lots to builders, individuals or other developers shall not be deemed to be an "assignment" subject to the above requirement for approval unless specifically designated as an assignment by the Developer.
- 5.3 No Agency, Joint Venture or Partnership. It is specifically understood and agreed to by and among the Parties that: (i) the entire Project Area is a private development; (ii) City and the Developer hereby renounces the existence of any form of agency relationship, joint venture or partnership among City and Developer, or any future Developer; and (iii) nothing contained herein shall be construed as creating any such relationship among City and Developer.
- 5.4 Consent. In the event this Agreement provides for consent from the City or the Developer, 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.
- 5.5 **Legal Challenges.** In the event that any person challenges this Agreement or the Development contemplated herein, upon request by Developer, or with notice to Developer and Developer's consent or acquiescence, the City may undertake to defend this Agreement or the

Development. In such a case, Developer agree that it shall be solely liable for all legal fees, including attorneys' fees, expenses, and/or court costs incurred by the City upon presentation to the Developer of an itemized list of costs, expenses, and fees.

SECTION VI. MISCELLANEOUS

- 6.1 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.
- 6.2 Other Miscellaneous Terms. The singular shall include the plural; the masculine gender shall include the feminine; "shall" is mandatory; "may" is permissive.
- 6.3 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.
- 6.4 **Construction.** This Agreement has been reviewed and revised by legal counsel for Developer 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.
- 6.5 Further Assurances, Documents, and Acts. Each of the parties hereto agrees to cooperate in good faith with the other, 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.
- 6.6 Assignment. Neither this Agreement nor any of the provisions, terms or conditions hereof can be assigned by the Developer 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.
- 6.7 Agreement to Run with the Land. This Agreement shall be recorded against the Property and shall be deemed to run with the land.
- 6.8 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. Venue shall be Utah County, State of Utah.
- 6.8.1 Mediation. Any and all disputes arising out of or related to this 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.

- 6.8.2 **Default Litigation.** If any party hereto is required to engage the services of counsel by reason of the default of another party, the non defaulting party shall be entitled to receive its costs and reasonable attorneys' fees, both before and after judgment and whether or not suit be filed or if the provisions of this Agreement are enforced through arbitration. 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.
- 6.9 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:

If to City to:

Susan Farnsworth Santaquin City Recorder 45 West 100 South Santaquin, UT 84655

Facsimile: (801) 754-3526

Copy to:

Brett B. Rich, Esq. Nielsen & Senior 53rd Park Plaza, Suite 400 5217 South State Street Salt Lake City, Utah 84107

Facsimile: (801) 327-8222

If to Developer to:

Apex Storage LLC P.O. Box 1212 American Fork, UT 84003

- 6.10 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.
- 6.11 Counterparts and Exhibits. This Agreement is executed in 2 (2) duplicate counterparts, each of which is deemed to be an original. This Agreement consists of thirteen (13) pages, including notary acknowledgment forms, and an additional three (3) 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 Concept Plan

Exhibit C Building Elevations

- 6.12 **Duration.** This Agreement shall continue in force and effect until all obligations hereunder have been satisfied.
- 6.13 Concurrency. The City shall take reasonable steps to ensure that the resources, services, and facilities needed to support progressing development are available concurrent with the impacts of such development. No development permit will issue in the event that concurrent infrastructure and services are not available to serve the contemplated development.
- 6.14 Insurance and Indemnification. Developer shall defend and hold the City and its officers, employees, and consultants harmless for any and all claims, liability and damages arising out of any work or activity of Developer, its agents, or its employees permitted pursuant to this Agreement.
- 6.14.1 Hazardous, Toxic, and/or Contaminating Materials. Developer 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.
- 6.14.2 Bodily Injury and Property Damage Insurance. Developer 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 said Developer or its agents, servants, employees, or contractors, except for wilful 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, Developer and/or Developer 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:

- 6.14.2.1 Additional named insureds. The City and its elected and appointed boards, officers, agents, employees, and consultants shall be added as additional named insureds on all insurance policies references herein.
- 6.14.2.3 **Notice.** Each insurance policy shall provide that the policy may not be terminated, nor canceled, nor any coverage limits reduced, until after thirty (30) days written notice is given to the City.
- 6.14.2.4 **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.
- 6.15 **Nondiscrimination.** Neither the City nor Developer, 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.
- 6.16 Acknowledgment. By the authorized signature below, Developer acknowledges that the Property shall be subject to all of the terms and conditions of this Agreement upon execution by the City.

IN WITNESS THEREOF, this Agreement has been executed by a person duly authorized by the Developer to execute the same and by the duly elected Mayor of the City of Santaquin, with the approval of the Santaquin City Council as of the 3rd day of November, 2010.

SANTAQUIN CITY

ATTEST:

Susan Farnsworth, City Recorder

DEVELOPER:

5. Laylor Smith

Mark Wells

STATE OF UTAH

) :ss

COUNTY OF UTAH

On this 13 day of December, 2010, personally appeared before me, S. Taylor Smith, who, after being duly sworn, acknowledged to me that he is authorized by Apex Storage LLC to execute this document and who executed the same.



NOTARY PUBLIC

STATE OF UTAH

:SS

COUNTY OF UTAH)

On this 17 day of 12010, personally appeared before me, Mark Wells, who, after being duly sworn, acknowledged to me that he is authorized by Apex Storage LLC to execute this document and who executed the same.



Susan Banswith NOTARY PUBLIC Santaguin Utah 11/29/2013

BOUNDARY DESCRIPTION

Beginning at a point that is North 00'31'25" West along the section line 900.35 feet and East 651.68 feet from the Southwest corner of Section 31, Township 9 South, Range 2 East, Salt Lake Base and Meridian;

thence North 20°08'17" East, a distance of 15.74 feet; thence along the arc of a 11,589.16 feet radius curve to the left through a central angle of 01°50′52" for 373.74 feet (chord bears North 16°46′12" East 373.72 feet); thence North 89°59′45" East, a distance of 96.86 feet; thence North 00°00′15" West, a distance of 32.38 feet; thence South 89°35′31" East, a distance of 253.27 feet; thence South 03°05′02" West, a distance of 287.61 feet; thence South 67°59′21" East, a distance of 137.04 feet; thence South 33°13′48" East, a distance of 92.69 feet; thence South 56°46′12" West, a distance of 435.78 feet; thence North 33°13′48" West, a distance of 85.00 feet; thence North 00°41′59" West, a distance of 137.78 feet; thence North 78°37′36" West, a distance of 217.23 feet to the POINT OF BEGINNING.

Containing 230,802 square feet or 5.2985 acres, more or less.



Exhibit B

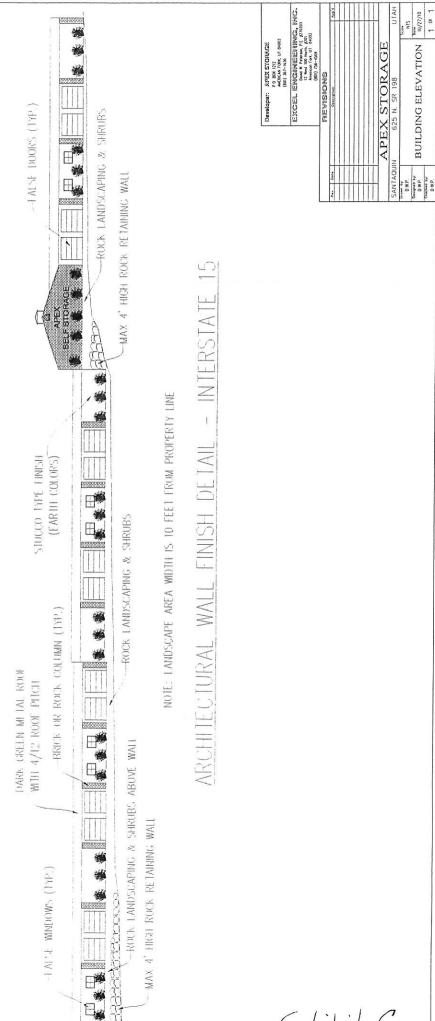


Exhibit C