

CONSTRUCTION, OPERATING AND RECIPROCAL
EASEMENT AGREEMENT

THIS AGREEMENT between FIRST HARTFORD REALTY CORPORATION (DEVELOPER), a Delaware corporation and MERCANTILE PROPERTIES, INC., a Delaware corporation and J. B. WHITE & COMPANY, a South Carolina corporation (collectively MERCANTILE).

RECITALS:

- A. By contract of sale of even date herewith, DEVELOPER has agreed to sell and MERCANTILE has agreed to purchase that certain real property (MERCANTILE TRACT) outlined in RED on Exhibit A;
- B. DEVELOPER is the owner of that certain real property (DEVELOPER TRACT) outlined in GREEN on Exhibit A;
- C. DEVELOPER TRACT and MERCANTILE TRACT are contained within that certain real property (ENTIRE PREMISES) outlined in BLUE on Exhibit A;
- D. MERCANTILE and DEVELOPER (THE PARTIES) desire to make an integrated use of their respective tracts and to develop and improve ENTIRE PREMISES as a regional shopping center;

NOW, THEREFORE, in consideration of the sum of \$10.00 in hand paid by each party hereto to the other and the mutual covenants herein made, MERCANTILE and DEVELOPER hereby contract and agree as follows:

ARTICLE I

PROPERTY

1.1 ENTIRE PREMISES. DEVELOPER warrants that MERCANTILE TRACT is a part of and included in ENTIRE PREMISES, that MERCANTILE TRACT is wholly contained within ENTIRE PREMISES, and that the apparent common boundaries between MERCANTILE TRACT and DEVELOPER TRACT are contiguous.

1.2 TITLE. DEVELOPER warrants that DEVELOPER'S title to ENTIRE PREMISES is in fee simple, that ENTIRE PREMISES is free and clear of any mortgage, deed of trust, decree, easement, encroachment, lease, declaration, restriction, lien, license or encumbrance except for the

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