

COMMERCIAL LEASE AGREEMENT

(hereinafter referred to as "LEASE")

311 South State, Suite 330, Salt Lake City, Utah, 84111

THIS COMMERCIAL LEASE AGREEMENT (this "Lease") is made by and between 311 State, LLC, a Delaware limited liability company ("Landlord"), and Central Wasatch Commission, an interlocal entity and political subdivision of the state of Utah ("Tenant"). For good and valuable consideration and the mutual observance of the terms and covenants below, the parties agree as follows:

1. **PROPERTY.** The real property affected by this Lease is located at 311 S. State Street, Salt Lake City, UT 84111. It consists of the "Property" and the "Premises." The Property consists of the building (containing thirty-six thousand seven hundred forty-four [36,744] rentable square feet, called the "Building"), land, common areas, landscaping, and all other improvements to the land, of which the Premises comprise a part. The Premises shall consist of that particular portion of the Property depicted on the attached floor plan (Exhibit C) as Suite 330 which is hereby deemed to be comprised of one thousand two hundred and sixty-six (1,266) rentable square feet. Tenant shall also have the non-exclusive right to use the common areas, hallways, and stairways appurtenant to the Premises.

2. **TERM.** This Lease shall be in effect for an initial term (the "Initial Term") of forty-one (41) months commencing upon substantial completion of Tenant Improvements, targeted for May 1, 2024 (the "Lease Commencement Date"), and terminating at twelve (12:00) midnight on the last day of the forty-first month thereafter, which is anticipated to be September 30, 2027. In the event Tenant holds over at the expiration of the Lease, the Tenant will be a tenant at will, and as a holdover tenant will be required to pay one hundred and fifty (150%) of the Base Rent applicable just prior to expiration, plus Additional Rent.

3. **RENEWAL OPTION(S).** Tenant shall have two (2) successive three (3)-year options to renew and extend the term of this Lease. Tenant shall provide Landlord written notice of exercise of a renewal option no later than six (6) months prior to expiration of Initial Term (as to an exercise of the first renewal option) or of the last day of the first renewal term (as to an exercise of the second renewal option). Renewal term rent rate for the option term shall be equivalent to the last year of the initial lease term or of the first renewal term, as applicable, with three percent (3.0%) annual rent increases throughout said renewal term(s). If Tenant fails to timely exercise its first renewal option then both of Tenant's renewal options shall automatically be void. Tenant may only exercise a renewal option if there are then no uncured material defaults of Tenant under this Lease.

4. **RENT.** Commencing two (2) months after the Lease Commencement Date, targeted for May 1, 2024 (the "Rent Commencement Date") Tenant shall pay Rent to the Landlord for the Premises. The Rent will be comprised of Base Rent and Additional Rent as defined below. All payments of Rent shall be rounded to the nearest full dollar amount. Rent will be computed and paid as follows:

- **BASE RENT:** From and after the Rent Commencement Date Tenant shall through Landlord's "My Portal" software or in such other manner reasonably requested by Landlord pay the Base Rent of twenty-one dollars (\$21.00) per square foot of rentable space in the Premises per year, equaling twenty-six thousand five hundred and eighty-six dollars (\$26,586.00) per annum for the first year of this Lease, payable in twelve (12) equal monthly installments of two thousand fifteen dollars and fifty cents (\$2,215.50). On the first day of each successive year of this Lease ("Lease Year"), the Base Rent shall increase by an amount equal to three percent (3%) of the Base Rent applicable to the prior Lease Year. This Base Rent is payable in advance on the first day of each month without offset, demand, or notice. If the Rent Commencement Date is a date other than the first of a calendar month, the initial Base Rent payment shall be prorated for such partial month, and the applicable "Lease Year" shall mean the three hundred sixty-five (365) day period commencing on the first (1st) day of the calendar month following the Rent Commencement Date.

- **BASE RENT SCHEDULE:**

Dates	Rent Per Square Foot	Rent Per Month	Rent Per Annum	Rent Escalation %
May 1, 2024 – June 30, 2024	Deferred Gross Rent = \$0	Deferred Gross Rent = \$0	Deferred Gross Rent = \$0	N/A
July 1, 2024 - June 30 2025	\$21.00	\$2,215.50	\$26,586.00	N/A
July 1, 2025 - June 30, 2026	\$21.63	\$2,281.97	\$27,373.58	3%
July 1, 2026 - September 30, 2027	\$22.28	\$2,350.42	\$28,205.09	3%

- **ADDITIONAL RENT AND BASE YEAR:** Tenant shall pay Landlord its proportionate share of the reasonable and necessary common area (“Common Area”) operating expenses of the Building (“Common Expenses”). Tenant’s share of the total Common Expenses shall be three point forty-five percent (3.45%) (“Tenant’s Proportionate Share”). Tenant’s share of Operating Expenses for each year during the Lease Term shall be adjusted annually to reflect Tenant’s Proportionate Share of any increase in Operating Expenses over the Base Year. The “Base Year” shall be defined as the year two-thousand twenty twenty-four (**2024**). Landlord shall provide Tenant with a statement setting forth Operating Expenses for such calendar year, and Tenant shall pay to Landlord its Proportionate Share of any increase in Operating Expenses over the Base Year for each proceeding lease year, Tenant’s Proportionate Share of Common Expenses shall include but not be limited to:
 - All actual real property taxes, special assessments, and improvement district assessments levied against the Property during the Term (“Taxes”);
 - All maintenance, operation and repair expenses for the Common Areas comprising any part of the Property, including but not limited to hallways, stairwells, elevators, restrooms, entryways, exterior landscaping, snow removal, and the utility, cleaning, maintenance, and repair costs of all areas of the Building that do not either comprise a part of the Premises or are not leased or leasable to other tenants.
 - All costs of providing fire, casualty, flood, and public liability insurance on the Property, and any additional insurance coverages that might be required by Landlord’s lender, or which are reasonable and customary for buildings of this type, use, and location.
 - To the extent they are not separately metered and billed to Tenant, all costs associated with maintaining utility service to the Building, including gas, electrical, water, and sewer.
 - The cost of services provided by Landlord at the request of, or for the benefit of, Tenant and the other occupants of the Building, including but not limited to such expenses as Building security, janitorial service, window cleaning, parking lot and garage sweeping/cleaning, snow removal, and similar services to the Property for the benefit of the occupants.
 - Reasonable property management fees to be paid to the Property’s selected property management company, whether in-house or third party, not to exceed four percent (4%) of the aggregate annual revenue of the Property. Tenant shall be solely responsible all costs associated with janitorial service, re-lamping of light fixtures, maintenance, and all other services, supplies, and labor of any kind or type which are associated with Tenant’s use and occupancy of the Premises. Tenant is responsible for any glass breakage within the Premises or in the walls of the Premises.

- **OTHER AND MISCELLANEOUS ITEMIZED EXPENSES AND PARTY RESPONSIBLE FOR**

REPAIR, MAINTENANCE AND PAYMENT:

Expense	Party responsible for payment
Door Hardware	Tenant
Cleaning, repair, and or replacement of Interior Glass including Entry Door, Conference Room, and Office doors	Tenant
Cleaning, repair, and or replacement of Exterior Glass if broken from inside the space	Tenant
Replacement of burnt out/damaged/destroyed, Building standard light bulbs and fixtures	Landlord
Furniture, fixtures, equipment, and appliances	Tenant
HVAC Maintenance	Landlord
HVAC Repairs	Landlord
HVAC Replacement	Landlord
Kitchenette maintenance and cleaning	Landlord
Kitchen Appliances (excluding Tenant's fridge)	Landlord

- **ADMINISTRATIVE FEE:** *(Intentionally Deleted)*.

5. **LATE PAYMENT FEES AND PENALTY INTEREST.** If Rent is not paid by the fifth (5th) calendar day of the calendar month in which it is due, Landlord may impose a late payment fee of the greater of two hundred fifty dollars (\$250) or five percent (5%) of the amount past due, which is Landlord's estimate of the cost of processing such late payment. In addition, interest will accrue at the rate of eighteen percent (18%) per annum on the unpaid balance owing, beginning on the tenth day of the month in which the installment is due, and continuing until paid in full. All payments shall be applied first to interest, then to late fees, then to Additional Rent, and then to Base Rent.

6. **SECURITY OR OTHER DEPOSIT(S).** Within ten (10) business days of lease execution Tenant will pay a security deposit ("Security Deposit") of four thousand seven hundred dollars and eighty-four cents (\$4,700.84), which is equal to two months of final year rent. Until the expiration or earlier termination of this Lease, Landlord shall hold the Security Deposit, without interest, and may, at Landlord's option and in Landlord's sole discretion, deduct amounts from the Security Deposit to pay amounts owed by Tenant to Landlord under this Lease not paid when due. Any time Landlord expends funds from the Security Deposit on Tenant's behalf or to cure a default by Tenant, Landlord shall notify Tenant of such expenditure, and Tenant reimburse Landlord and restore the full amount of the Security Deposit within ten (10) days of said notice. Failure to do so shall comprise an Event of Default, and the amount advanced will be added to Tenant's Additional Rent. Landlord may commingle the Security Deposit with other funds. The full amount of the Security Deposit, less any unreimbursed amounts advanced to pay obligations of Tenant, will be refunded to Tenant upon the expiration of the Lease and Tenant's surrender of the Premises as required by this Lease.

7. **ADVANCES OF FUNDS BY LANDLORD.** Any direct advancement of costs by Landlord in excess of the amount available from the Security Deposit shall accrue interest at the rate of eighteen percent (18%) per annum from the date of payment until fully reimbursed by Tenant. Landlord will notify Tenant of any such expenditure. In no event will Landlord be required to allow taxes, common area maintenance expenses, utility charges, or other assessments to go delinquent, the Property to go uninsured, or otherwise place the Property in jeopardy while attempting to obtain payment from Tenant.

8. **INSURANCE.** Fire and casualty insurance on the structure, including basic ceilings and demising walls of the Premise will be provided by Landlord in such amounts and with such insurance companies as Landlord determines. Landlord will also provide public liability insurance on the common areas of the Building. Tenant is solely responsible for insurance on the additional interior finishes of the Premises, insurance on Tenant's inventory, fixtures, and equipment, and public liability for those claims arising from injuries within the Premises or directly attributable to Tenant's negligence or actions, whether within the Premises or common areas. Tenant agrees to carry public liability insurance in the face amount of one million dollars (\$1,000,000.00), which shall be reviewed annually and adjusted as appropriate and customary for similar types of businesses in

similar areas. Landlord and Landlord's mortgage holder will be named as an additional insured on all policies, shall have the right to review and approve policies before they are placed, provided that such approval will not be unreasonably withheld or delayed. All insurance policies shall have a thirty-day (30-day) cancellation or non-renewal notice provision giving advance notice to Landlord and Landlord's mortgage holder of the termination of coverage. Landlord and Tenant, for themselves and their respective insurers, waive any rights, including rights of subrogation, each may have against the other for compensation for any loss or damage arising from any risk generally covered by insurance, which either party is obliged to provide pursuant to this Section.

9. **USE OF PREMISES.** Tenant has leased the Premises for the sole purpose of a general office. Any change in use will require the advance written consent of Landlord. Unless otherwise agreed to in writing by Landlord, Tenant's use and occupancy of the Premises shall be limited as follows:

- a. Tenant will make no structural alterations or material alterations, including construction or removal of partition walls, penetration of exterior walls or roofs without the prior written consent of Landlord. Any such alterations will be made in compliance with local codes, and the work done by appropriately licensed contractors.
- b. Tenant may make no exterior modifications to the Building without the written consent of Landlord, specifically including, but not limited to, the placement of signs on the exterior or in the windows of the Building.
- c. Tenant will comply with all applicable building, fire, zoning, signage, and health codes, and all federal, state, and local laws and regulations concerning the use, storage, and disposal of materials which may be classified as hazardous or toxic.
- d. Except as agreed in writing, all additions or improvements shall become the property of Landlord at the termination of the Lease, provided that trade fixtures and equipment installed by Tenant which can be removed without damage to the Building may be removed at the expiration of the Lease. Such items will become the property of the Landlord if they are not removed prior to the end of the Lease term.
- e. Any use of the Premises which materially increases the use of or burden on the common areas of the property, or materially affects utility consumption requires the advance written consent of Landlord and may result in additional charges.
- f. There shall be no sleeping in the Premises and no animals allowed in the Premises or common areas; provided, however, that (i) service animals shall be allowed in the Premises pursuant to applicable federal and Utah state law, and (ii) Tenant's employees may occasionally bring canine emotional support animals in the Premises so long as any such dogs are not disruptive to other tenants of the Building and Tenant is responsible for promptly and fully repairing at Tenant's cost all damage to the Premises caused by such dogs.

10. **USE OF COMMON AREAS.** Tenant's use of Common Areas of the Property will be limited to that reasonably necessary for ingress and egress to Tenant's space and use of the restrooms, kitchenette and other Common Area amenities of the Property. Except as otherwise provided in this Lease, Tenant will not store anything in the Common Areas, place merchandise on display in the Common Areas, or in any other way obstruct the use of the Common Areas by other Tenants, owners, or guests, or occupy the Common Areas in a manner that excludes the other tenants from their reasonable use of the Common Areas. Except for reasonable and non-offensive odors of food in the kitchenette, Tenant will not permit odors to be produced that are noticeable in the Building or outside of the Premises.

11. **SIGNS AND SIGNAGE:** Tenant shall be granted directory signage and suite signage. The cost of the signage shall be paid by Tenant. No signs, banners, or advertising material will be placed on the Premises, whether inside or outside, without the written consent of Landlord, approving the design and location of the sign. Signs will be permitted only in the context of an overall sign plan designed to achieve reasonable uniformity in appearance, color, and content. The costs of all City-required permits, installation, and eventual removal and

repair of the Building surfaces are borne entirely by Tenant. The size, color, style, and placement of signs will be governed by local ordinance as well as Landlord. Tenant is advised to become fully familiar with these regulations prior to incurring expenses for a signage.

12. **HOURS OF OPERATIONS.** Landlord is endeavoring to establish a viable mixture of uses in the Building, which are expected to complement each other and maximize income to Landlord and the various Tenants. In order to achieve the mutual benefits of that mix, each Tenant shall have access to the Premises twenty-four (24) hours per day, seven (7) days per week including all holidays. However, outside of normal business hours, the Property will be secured and accessible by access codes or keys. It shall additionally be noted that normal maintenance response and operations will be limited to emergencies outside of normal business hours and holidays. The routine maintenance hours are nine am (0900) to four pm (1600), Monday through Friday excluding holidays. The hours of operation will not apply during periods when the Property is uninhabitable due to casualty loss or other conditions on the Property entirely beyond the control of Tenant, provided that Tenant diligently pursues any repairs that are Tenant's obligations.

13. **MAINTAINANCE OF PREMISES, SYSTEMS, AND STRUCTURE.** During the term of this Lease Tenant is solely responsible for (a) the maintenance of the interior finishes of the Premises in a clean, attractive, and well-kept condition, and (b) the cost of installing its own telephone, computer and security wiring within the Premises, and (c) minor maintenance to surfaces, lighting fixtures and the like within the Premises following completion and Tenant's acceptance of the Premises in "turn-key" condition as of the Lease Commencement Date. Landlord will be responsible for all electrical, elevator, plumbing, heating, and other mechanical systems serving Common Areas, and the structural maintenance and integrity of the Property, including all columns, the roof, and exterior walls, except for damage caused by the acts or negligence or deliberate acts of Tenant or Tenant's employees.

14. **PARKING GARAGE AND SURFACE PARKING.** Throughout the term of this Lease Tenant shall have the right to use a total of two (2) parking stalls in the adjacent parking structure and surface lot. During the Initial Term the cost of parking shall be included in the Base Rent. Following the Initial Term the cost of parking shall be \$95/stall, which shall be in addition to the Base Rent. Specific parking stalls shall not be reserved, and the parking structure functions as a "first come, first serve" facility with the surface lot acting as overflow and guest parking and function on a "first come, first serve" basis. Tenant acknowledges and agrees that Landlord shall not be held liable for any loss, theft, damage, or destruction of vehicles or personal property on the Property including any surface lot and parking garage. Tenant assumes all risks associated with parking and agrees to hold Landlord harmless from any claims, damages, liabilities, or expenses arising from such loss, theft, damage, or destruction. Furthermore, Tenant to obtain adequate insurance coverage to protect against any potential losses or damage incurred while parking on the Property. This indemnification provision shall survive the termination or expiration of this Lease.

15. **CONDITION OF THE PREMISES.** Tenant accepts the Premises in its as-is condition after completion of Landlord's Tenant Improvements. Tenant shall maintain the interior of the Premises as provided in Section 13.

16. **TENANT IMPROVEMENTS AND TENANT IMPROVEMENT ALLOWANCE.** Landlord agrees to provide Tenant improvements as outlined in **Exhibit A** at Landlord's sole cost, with a budget not to exceed thirty-five thousand dollars (\$35,000), also referred to as the "Tenant Improvement Allowance." Any additional costs, modifications, change orders, or similar expenses exceeding the cost of the Tenant Improvement Allowance of thirty-five thousand dollars (\$35,000) shall be at the sole expense of Tenant.

17. **TRADE FIXTURES.** Any trade fixtures installed on the Leased Premises by Tenant at its own expense, such as movable partitions, counters, shelving, showcases, mirrors, and the like, may, and, at the request of Landlord, shall be removed on the expiration or earlier termination of this Lease, provided that Tenant is not then in default, that Tenant bears the cost of such removal, and further that Tenant repairs at its own expense any and all damage to the Leased Premises resulting from such removal. If Tenant fails to remove any and all such trade fixtures from the Leased Premises on the expiration or earlier termination of this Lease, all such trade fixtures shall become the property of Landlord unless Landlord elects to require their removal, in which case Tenant shall, at its expense, promptly remove the same and restore the Leased Premises to their prior condition. Fixtures deemed not to be trade fixtures shall be considered permanent fixtures to the Leased

Premises and shall remain in the Leased Premises and considered Lessor's property. Itemized trade fixtures are to be listed and mutually approved as outlined in the Lease Commencement Letter to be executed prior to the Tenant's occupancy.

18. **LANDLORD IMPROVEMENTS.** Landlord agrees to provide the below landlord improvements to the common area of the third floor and outlined in Exhibit B. All tenant improvements, including without limitation any trade fixtures or leasehold equipment ("Tenant Improvements"), shall be installed, at Tenant's expense, by licensed and insured contractors, pursuant to permits issued by the Salt Lake City Building Department. Lessee shall not permit any liens to attach to the Property. If the aggregate cost of Tenant Improvements performed by Tenant would reasonably be expected to exceed five thousand dollars (\$5,000), Landlord may require a labor and material payment bond from Tenant or Tenant's contractor prior to commencement of work. Tenant shall provide Landlord with copies of all plans and specifications for Tenant Improvements for Landlord's review and approval and no work will begin without Landlord's prior consent. At the termination of the Lease, all Tenant Improvements will be deemed fixtures, and become the property of Landlord, unless otherwise outlined in the Lease Commencement letter to be executed prior to Tenant's occupancy. In case any Trade Fixtures, Leasehold Equipment or similar items are removed any resulting damage to the Property is to be repaired at the Tenant's expense as outlined in Section 17 of this Lease. Installation of any Tenant Improvements shall be coordinated with the Property Manager.

19. **ASSIGNMENT AND SUBLET.** Tenant shall have no right to sublet the Premises in full or in part. This Lease is not assignable in whole or in part without the prior written consent of Landlord, which Landlord may withhold for any or no reason. The sale of Tenant's business or controlling interest in Tenant's business shall be deemed an assignment of this Lease requiring Landlord's consent. In no event will Landlord be required to release any prior guarantors of this Lease upon approval of any assignment. In the event Tenant sublets or assigns the Lease (including an unapproved transfer of control of Tenant's business to a third party) in violation of this provision, Landlord shall have the option of declaring the Lease in default and terminating the Lease with fifteen days (15) written notice at any time after the sublet or assignment.

20. **ABATEMENT OR TERMINATION FOLLOWING CASUALTY LOSS.** In the event of a fire or other casualty loss that makes the Property uninhabitable for a period of more than seven (7) days, Landlord shall abate the rent during the actual period of repairs and extend the Lease term by an equal period. In the event of a fire or other casualty loss that makes the Property or the Premises uninhabitable for a period of more than sixty (60) days, either Landlord or Tenant shall have the option of terminating the Lease upon written notice to the other. If the nature of the damage is such that the Property and the Premises cannot reasonably be fully restored to its condition prior to the loss within one hundred and twenty (120) days, Tenant may terminate the Lease by written notice to Landlord. All insurance proceeds are payable to the Landlord in the event of a termination by Tenant, except for proceeds applicable to Tenant's fixtures, equipment, or other personal property. Landlord is not liable to Tenant for lost profits, rent on temporary locations, or other costs or damages incurred by Tenant as a result of the loss.

21. **LANDLORD'S RIGHT TO INSPECT.** Landlord shall have the right to inspect the Premises to ensure compliance with the Lease during Tenant's normal business hours.

22. **RIGHT OF ENTRY.** Landlord shall have the right to enter the Premises if necessary to make emergency repairs or to prevent damage to the Premises. Tenant agrees to permit reasonable access for the purpose of maintaining common areas including structural elements, mechanical systems, and utility lines. Landlord shall provide prior notice where practicable but will not be required to give notice in the event of a bona fide emergency, when delay could cause damage to the property of Tenant or others.

23. **REMEDIES.**

- a. In the event of a monetary default of this Lease, including non-payment of Rent, Landlord shall have all remedies available at law including the right to enter and re-take possession of the Premises, or the right to re-let the Premises on Tenant's account and hold Tenant liable for the balance of the Lease term, or the right to bring an action against Tenant for the amounts owed. Landlord shall have the right, but not the obligation, to allow any approved Sub-Tenant to remain in possession and to re-take possession of portions of the Premises. Landlord will give Tenant a written notice of the default,

stating the nature of the breach and amount owed. Tenant shall have five days (5) from the date of notice to pay all sums, owing, and if not cured within five days (5) Landlord may exercise its legal and equitable remedies, including termination of the Lease and eviction of Tenant. Landlord may also sue for the amounts owed without terminating the Lease.

- b. In the event of breaches or defaults other than monetary breaches, Landlord shall give Tenant fifteen days (15) written notice of the default, and if the condition complained of is not cured within fifteen days (15) or such longer period as may reasonably be necessary under the circumstances, Landlord shall have the right to exercise all available legal and equitable remedies against Tenant to enforce the terms of this Lease or re-possess the Premises. Notwithstanding the time limits contained in this provision, Tenant agrees to take such actions as reasonable and necessary in the case of an emergency to secure the Property and prevent further damage until a permanent repair can be made. If Tenant fails to make repairs, Landlord may enter the property and make necessary repairs as needed under the circumstances to prevent further damage and secure the Building and charge the costs to Tenant as Advanced Costs.
- c. The obligations of Tenant under this Lease shall survive termination of Tenant's possession until fully paid. In addition to amounts due under this Lease, Tenant shall be liable for Landlord's reasonable attorney's fees and costs incurred in the enforcement of this Lease and collection of amounts owed.
- d. Landlord has the right, but not the obligation, to sublet the Premises on Tenant's account for the remainder of the Lease term, and to hold Tenant liable for the difference in Rent, if any, even if Tenant's possession has terminated.
- e. Should Tenant ever vacate the Premises or stop Rent payment before the end of the term of the Lease, Tenant shall be responsible for reimbursing Landlord for one hundred percent (100%) of Landlord's Tenant Improvement Allowance, signage and lock/key replacement costs and related expenses, net of the amortization of such costs over the initial term of the Lease.

24. **CONDEMNATION**. In the event that a portion of the Property is taken by a governmental entity for public purposes, the entire award shall be paid to Landlord, and there shall be no reduction in Rent, unless the portion of the Property taken materially interferes with Tenant's intended use of the Premises, If the taking is such that it materially impairs Tenant's business, such as a loss of Building area, the award will be apportioned as the parties may agree at the time. In the event of total taking, or a partial taking of such magnitude that the operation of the Tenant's business with the remaining Property becomes commercially unreasonable, the award will be apportioned as the parties mutually agree. Tenant shall have the right to appear on its own behalf in any condemnation suit to defend the value of the leasehold interest at Tenant's expense. If the parties are not able to agree on an apportionment of any award (and apportionment is not made in the condemnation proceeding) the apportionment will be submitted to binding arbitration under the rules of the American Arbitration Association, with each party to bear its own costs.

25. **NOTICES**. Notices that may be required from time to time under this Lease may be sent or delivered to the following addresses:

To Landlord: Kensington Investment Company (KIC)
Attn: Samuel Shepherd
1796 Prospector Ave
Park City, UT 84060

To Tenant: Central Wasatch Commission
Attn: Lindsey Nielsen, Executive Director
311 South State Street, Suite 330
Salt Lake City, UT 84111
Phone: (801) 706-1004
Email: lindsey@cwcc.utah.gov

Notices are effective upon personal delivery, or three days after mailing, registered mail, return receipt requested.

Notice may also, by delivery to Federal Express or some other national overnight delivery service, with notice being effective on the business day after it is sent, Either party may change its address or request additional notices to be sent to others by written notice.

26. **COVENANT OF QUIET ENJOYMENT.** For so long as Tenant is faithfully performing its obligations under this Lease, Landlord promises to provide Tenant with quiet enjoyment of the Premises, Landlord shall pay all mortgages and other obligations placed on the Property by Landlord. Tenant shall have the right to pay rent to any mortgage holder if necessary to avoid foreclosure of Landlord's interest, and to deduct such payments from the Rent and Additional Rent due under this Lease. Landlord will use its best efforts to obtain agreement from any mortgage holder that Tenant will not be disturbed or displaced as a result of any foreclosure of the mortgage so long as Tenant is not in default.

27. **NON-SUBORDINATION.** Landlord will not subordinate this Lease to any security agreements or leasehold mortgages entered into by Tenant for the purpose of financing Tenant Improvements to the Premises. Any such security arrangements are fully subject to Tenant's faithful performance of this Lease. Landlord consents to Tenant placing leasehold mortgages on its leasehold estate ("Leasehold Mortgages") for the purposes of financing Tenant Improvements, provided that any such Leasehold Mortgages acknowledge that they are subordinate to this Lease, and subject to all of its terms and conditions, Landlord will provide notice of default to any Leasehold Mortgagee who requests notice. Landlord will also provide statements of account to Leasehold Mortgagees showing Tenant's status under this Lease.

28. **LEASE SUBORDINATE TO LANDLORD'S MORTGAGE.** Landlord has, or will, place a deed of trust or mortgage on the Property to secure construction or long-term financing. Regardless of the order of recording of documents, Tenant agrees that this Lease shall be subordinate to, and subject to, such first mortgage or deed of trust. Upon request of Landlord, Tenant will provide within fifteen (15) days written acknowledgment of such subordination to both Landlord and Landlord's lender. This Lease is not subordinate to any other financing Landlord may place on the Property for purposes other than the construction and long-term financing of the Property constructed for Tenant's benefit.

29. **SALE OF PROPERTY.** This Lease shall be binding on the successors and assigns of Landlord in the event of a sale or transfer of the title to the underlying Property. No sale or transfer of title shall disturb Tenant's possession or quiet enjoyment of the Premises.

30. **PERSONAL GUARANTEE.** (*Intentionally Deleted*).

31. **TENANT'S FINANCIAL STATEMENTS.** Prior to the execution of this Lease, and from time to time during the term of the Lease, Tenant will provide Landlord with a copy of Tenant's financial statement showing the condition of Tenant's business. Tenant authorizes Landlord to disclose the financial statement to Landlord's mortgage lender on the Property. Updated statements will be provided when requested by Landlord in conjunction with the re-financing of Landlord's mortgage or sale of the Property. Except for the approved disclosure provided above, Landlord will maintain confidentiality of the financial statements.

32. **HAZARDOUS MATERIAL.**

- a. Neither Tenant nor Landlord will store, use, or dispose of Hazardous Materials or Toxic Wastes on the Property except in such limited quantities as are reasonable and customary in the routine operation of Tenant's or Landlord's business. For purposes of this Lease, the term Hazardous Materials or Toxic Wastes shall mean any product or substance that is regulated under state or federal environmental laws, including, without limitation, the Utah Hazardous Waste Act (26-14-2 UCA), the Hazardous Materials Transportation Act, Clean Water Act (33 USC 1317), the Resources Conservation and Recovery Act (42 USC 6901), the Comprehensive Environmental Response, Compensation, and Liability. Act (42 USC 9601), or any other state or federal statute or regulation now in effect or later adopted. Any violation of these acts is a violation of this Lease.
- b. Tenant and Landlord shall indemnify one another against any and all liability under the foregoing statutes or later enactments, against claims for personal injury, property damage, and clean-up actions or enforcement actions under the environmental laws of Utah or the United States attributable

to such party's breach of Section 32(a), above. This indemnity will survive the termination of this Lease, and will apply even if Landlord or Tenant has knowledge of and consented to the use, storage, or disposal of the Hazardous Materials.

- c. Any specialized pollution control equipment, sewage pretreatment or chemical recovery systems, specialized ventilation equipment required for Tenant to comply with environmental laws and regulations attributable to Tenant's operations on the Premises will be installed at Tenant's sole expense.

33. **CERTAIN BUSINESS ACTIVITIES PROHIBITED.** Tenant shall not conduct any business from the property that is deemed extra-hazardous or will result in an increase in fire insurance premiums on the Property, on inability to obtain fire insurance at standard rates. Tenant will not create unreasonable levels of noise, odor, or vibration that might reasonably be expected to penetrate to adjoining spaces or common areas and cause annoyance to the owners or occupants of those spaces. Tenant will not conduct any business activity that is prohibited by applicable zoning. Tenant may not use the Premises or any portion of the Property for the following purposes: (i) sales, distribution, rental, viewing or exhibition of sexually explicit materials, performances or paraphernalia; (ii) sales, use, or exhibition of paraphernalia related to illegal drugs or controlled substances; (iii) the storage or sales of petroleum products, fireworks, or other highly flammable materials; (iv) any business activity that produces noxious or harmful odors; or (v) any business activity that in Landlord's reasonable judgment unduly interferes with the use and enjoyment of the other spaces in the Building due to noise, odor, light, vibration, or similar impacts extending beyond the boundaries of the Leased Premises. These limitations apply to incidental activities of Tenant as well as the primary business pursuit.

34. **SURRENDER OF PREMISES.** Upon the expiration of the Lease, Tenant will surrender the Premises to Landlord in substantially the same condition as existed on the date Tenant commenced doing business from the Premises, normal wear and tear, removal of approved trade fixtures and equipment, and insured casualty losses excepted (provided insurance proceeds have been assigned to Landlord for repairs). Tenant shall commit no waste on the Property. Tenant is responsible for repairing any damage, paint fading, or weathering resulting from the removal of Tenant's signs from the Property.

35. **ESTOPPEL CERTIFICATE.** Upon the request of Landlord or Tenant, the other party will provide within fifteen (15) days a written statement to the effect that the lease is in full force and effect, and that the requesting party is not in default on any obligations, or if there are claims of default or offset against the requesting party, to describe those claims.

36. **GOVERNING LAWS AND ATTORNEY'S FEES.** If either party is required to take legal action to enforce the terms of the Lease, the Lease and related matters are to be governed by the laws of the State of Utah and the prevailing party is entitled to recover its reasonable costs of enforcement, including reasonable attorney's fees from the other party as additional damages and part of any judgment entered.

37. **NON-DISCLOSURE.** Tenant shall not disclose the terms of the Lease or any amendments to this Lease to any other tenant or prospective tenant.

38. **ACCESS TO PREMISES FOR TENANT IMPROVEMENTS.** Landlord agrees to provide Tenant with access to the Premises fourteen (14) days prior to lease commencement for Tenant to setup all Information Technology, wiring, furniture, fixtures, and equipment (FF&E). Tenant shall not be allowed to conduct business in the space during such early occupancy period, however, and Landlord shall not charge Tenant for use of the space during this period. Landlord agrees to provide Tenant with access to the Premises for the completion of Tenant's Improvements on the first business day after the execution of the Lease. Tenant will arrange with Property Manager to test the HVAC units prior to taking occupancy and the end of the Lease. Landlord is responsible for making all repairs necessary throughout the term of this Lease.

39. **AMENDMENT & ADDENDA.** In order to be effective, any amendments to this Lease shall be in writing and signed by both parties.

40. **INDEMNIFICATION.** Each party shall defend, indemnify and hold harmless the other party and its lenders, affiliates, subsidiaries, directors, officers, assignees, agents and employees from and against

liabilities, claims, damages, losses, causes of action, judgments, costs and expenses, including but not limited to attorneys' fees, arising out of or resulting from any wrongful act or failure to act by the indemnifying party (or its officers, employees or agents) in connection with this Lease. The parties' respective duties and obligation under this section shall survive expiration or termination hereof until the expiration of the applicable statute of limitations or statute of repose. Notwithstanding the foregoing, however, the parties acknowledge that Tenant is a governmental entity that is subject to the Governmental Immunity Act of Utah, UTAH CODE ANN. 63G-7-101 *et seq.* (the "Act"), and that Tenant does not hereby waive any coverage of the Act.

41. **BROKERAGE COMMISSIONS.** Landlord and Tenant hereby recognize that Tenant is represented by Alexander Priskos of InterNet Properties, and Landlord is represented by Jillian Johnson of Jones Lang La Salle. Landlord has a listing agreement equal to six (6%) of gross rents equaling **\$4,930.48**, in which one-half (three percent [3%]) equaling **\$2,465.24** shall be paid to Landlord's representative and the remaining one-half (three percent [3%]) equaling **\$2,465.24** shall be paid to Tenant's representative. The leasing commissions shall only apply to the gross rent amount of the initial term of this Lease. Tenant agrees that should Tenant terminate this Lease early, Tenant shall be solely responsible for the repayment of prorated commissions fees to the number of months left on the initial term of this Lease, to be paid prior to termination and spelled out and itemized in the termination letter.

BROKER COMMISSION SCHEDULE:

Total gross rent	Total leasing commission = 6% of gross rent	Leasing commission to be paid to Landlord Representative = 3% of gross rent	Leasing commission to be paid to Tenant Representative = 3% of gross rent
\$82,174.67	\$4,930.48	\$2,465.24	\$2,465.24

42. **COUNTERPARTS, ETC.** For the convenience of the parties, this Lease may be executed in counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument. This Lease may be executed and delivered electronically by facsimile, portable document format (pdf) or similar with the same legal effect as manual execution and physical delivery of a paper document.

LEASE SIGNATURE PAGE:

Dated this 4th day of March 2024

TENANT:

Central Wasatch Commission, a Utah interlocal entity

By: _____

Name: Jeff Silvestrini

Title: Chair of the Board

Date: March 4, 2024

Attest: _____

Name: Christopher F. Robinson

Title: Secretary of the Board

Date: March 4, 2024

LANDLORD:

311 State, LLC

By: _____

Name: _____

Title: _____

Date: March __, 2024

EXHIBIT A: PROPOSED TENANT IMPROVEMENTS

Note: This is not an official or finalized layout of the space or planned improvements and is subject to mutually agreed upon changes.

TENANT IMPROVEMENT WORK TO BE PERFORMED BY LANDLORD – Budget not to exceed thirty-five thousand dollars (\$35,000):

SPACE LAYOUT AND HARDWARE:

- There will be three total doors in the space, one for the entrance wall, conference room and office space. All doors will be wood stained with glass inserts. (Tenants choice on stain and color)
- Enclosing wall that will include one door (Marked in red on floor plan) with a ten (10) digit keypad that matches rest of the space.
- One conference room that will have at minimum one interior wall of essentially floor-to-ceiling glass (Marked in green on floor plan). The conference room door to match suite entry door (Marked in red on floor plan).
- One office that will have a minimum of two 24" sidelights. The office door to match suite entry door (Marked in red on floor plan).
- West wall will be painted to match rest of the space. (Tenant to decide color)

ELECTRICAL/DATA:

- One fourplex plug will be supplied to both sides of the wall that divides the conference room and office.
- New light switches will be added for the bullpen, conference room and office.
- Landlord is not responsible for data, telephone lines or internet.

LIGHTING/CEILING GRID/HVAC:

- HVAC will be moved to provide one supply and return to conference room and office, bullpen is already sufficiently vented.
- Lights will be moved around the ceiling grid to not interfere with any new walls and provide sufficient lighting for space.

OTHER:

- The Tenant agrees to relinquish their rights to have influence over the design of space, including but not limited to, glass, doors, electrical work and HVAC placement.
- In the event that the full TIA of thirty-five thousand dollars (\$35,000) is not used, the money will be given back to Tenant to alter or change their space as desired.

EXHIBIT B: PROPOSED LANDLORD IMPROVEMENTS

Note: This is not an official or finalized layout of the space or planned improvements and is subject to change at the Landlord's sole discretion.

Landlord agrees to install a commercially standard kitchenette in the common space of the third (3rd) floor outlined in the space plan above. The kitchenette will be delivered with the following:

- A commercially standard sink and five (5) feet of counter space with cupboard space below.
- A commercially standard framed wall and door that will have a keypad with corresponding door codes for each of the third (3rd) floor Tenants.
- A new commercially standard drinking fountain will include a water bottle filling station.
- A sufficient and commercially standard number of electrical plugs, lighting and ventilation for a basic kitchenette.
- Both Tenant and Landlord agree there exists the possibility of other non-third floor Tenants, their staff, and visitors may from time-to-time use the kitchenette or drinking fountain.
- Tenant may at its cost place, operate and maintain a standard refrigerator and microwave in the kitchenette.

EXHIBIT C: PROPOSED FLOOR PLAN SUITE 330 AND COMMON SPACE:



EXHIBIT D: REDEVELOPMENT RIDER

This REDEVELOPMENT RIDER (this "Rider") is made and entered into as of the ____ day of ____, ____ by and between 311 State, LLC ("Landlord") and ____ ("Tenant") concerning the potential redevelopment by Landlord of the 311 State project located at 311 State, Salt Lake City, UT 84111 (the "Project"), and the potential amendment of the Lease Agreement between Landlord and Tenant according to the terms of this Rider.

- a) WHEREAS, Landlord and Tenants are parties to that certain Lease Agreement of even date herewith (the "Lease") concerning the leased premises located at 311 State, Suite 330, Salt Lake City, UT 84111 (the "Premises")
- b) WHEREAS, notwithstanding the other terms of the Lease, Landlord may demolish the Premises as part of a larger plan to redevelop the Project, whereupon Tenant shall become eligible for certain rights, as the same are set forth in this Rider
- c) WHEREAS, this Rider shall govern the parties' rights and responsibilities to one another in the event that Landlord redevelops the Project
- d) WHEREAS, this rider shall supersede any leases, addenda, amendments, agreements, etc.

Landlord's Notice of Demolition. As soon as is reasonably practicable, but in no event less than six (6) months prior to Landlord commences any demolition of the Premises in connection with its redevelopment of the Project; Landlord shall provide written notice to Tenant of its intent to demolish the Premises (the "Notice of Demolition") to Tenant's notice address, as the same is set forth the Lease. The Notice of Demolition shall set forth: (i) the date on which Tenant will be required to vacate the Premises to accommodate the demolition of the Premises (the "Vacation Date"); (ii) the deadline for Tenant to deliver a Notice of Termination if applicable, and (iii) the amount of reimbursement to which Tenant is entitled as reimbursement for the tenant improvement expenses paid by Tenant, as required below. Notwithstanding any other provision of this Rider or the Lease, in no event shall the Vacation Date be set before the expiration of the Initial Term of the Lease.

Landlord Reimbursement of Tenant Improvements. If Landlord delivers a Notice of Demolition to Tenant in accordance to this Rider setting forth a Vacation Date which is prior to the expiration of the Initial Term of the Lease, Landlord shall reimburse Tenant for an amount equal to fifty percent (50%) of the Tenant Improvement Expenses made by Tenant in excess of the Landlord's Tenant Improvement Allowance of thirty-five thousand dollars (\$35,000) outlined in Section 17 and Exhibit A of the Lease.

The changes reflected in this Addendum shall take effect on _____

Terms and Condition: All terms and conditions of the Agreement shall remain in full force and effect except for the amendments specifically listed above. If there should be any conflict between the provisions of the Agreement and the Addendum, the provisions of this Addendum shall control.

By signing below, Landlord and Tenant acknowledge that each has read, understands, and received a copy of and agrees to the terms of Exhibits A through D to the Lease Agreement.

Dated this 4th day of March 2024.

Central Wasatch Commission, a Utah interlocal entity

By: _____

Attest: _____

Name: Jeff Silvestrini

Name: Christopher F. Robinson

Title: Chair of the Board

Title: Secretary of the Board

Date: March 4, 2024

Date: March 4, 2024

LANDLORD:

311 State, LLC

By: _____

Name: _____

Title: _____

Date: March __, 2024