A Special Electronic Meeting of the West Valley City Redevelopment Agency will be held on Tuesday, September 3, 2024, at 6:30 PM, or as soon thereafter as the City Council Meeting is completed, in the Council Chambers, West Valley City Hall, 3600 Constitution Boulevard, West Valley City, Utah. Members of the press and public are invited to attend in person or view this meeting live on YouTube at https://www.youtube.com/user/WVCTV.

LARS NORDFELT, CHAIR
JAKE FITISEMANU, VICE CHAIR

A G E N D A

1. Call to Order- Chair Nordfelt

2. Opening Ceremony

3. Roll Call

4. Approval of Minutes:

   A. August 20, 2024 (Special Meeting)

5. Resolutions:

   A. 24-10: Authorize the Agency to Execute a Purchase and Sale Agreement with Nimesh Chaudhari

- West Valley City does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or the provision of services.
- If you are planning to attend this public meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City eight or more hours in advance of the meeting and we will try to provide whatever assistance may be required. The person to contact for assistance is Nichole Camac.
- Electronic connection may be made by telephonic or other means. In the event of an electronic meeting, the anchor location is designated as City Council Chambers, West Valley City Hall, 3600 Constitution Boulevard, West Valley City, Utah.

3600 South Constitution Boulevard, West Valley City, Utah, 84119 | Phone: 801-963-3203 | Fax: 801-963-3206

TDD: 801-963-3418 | www.wvc-ut.gov

B. 24-11: Authorize the Agency to Execute a Hotel Management Agreement Between the Agency and Western States Lodging and Management II, LC

6. Adjourn

MINUTES OF THE REDEVELOPMENT AGENCY SPECIAL MEETING – AUGUST 20, 2024
-1-

THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY MET IN SPECIAL SESSION ON TUESDAY, AUGUST 20, 2024, AT 6:44 P.M. IN THE COUNCIL CHAMBERS, WEST VALLEY CITY HALL, 3600 CONSTITUTION BOULEVARD, WEST VALLEY CITY, UTAH. THE MEETING WAS ALSO HELD ELECTRONICALLY VIA ZOOM. THE MEETING WAS CALLED TO ORDER BY CHAIRMAN NORDFELT.

THE FOLLOWING MEMBERS WERE PRESENT:

Lars Nordfelt, Chair
Tom Huynh
William Whetstone
Scott Harmon
Don Christensen

ABSENT:

Karen Lang
Jake Fitisemanu

STAFF PRESENT:

Ifo Pili, City Manager
Nichole Camac, City Recorder
Eric Bunderson, City Attorney
Colleen Jacobs, Police Chief
John Evans, Fire Chief
Jim Welch, Finance Director
Steve Pastorik, CD Director
Peggy Daniels, Acting CPD Director
Dan Johnson, Public Works Director
Jamie Young, Parks and Recreation Director
Jonathan Springmeyer, RDA Director
Sam Johnson, Strategic Communications Director
Ken Cushing, IT (*electronically)*
Travis Crosby, IT

APPROVAL OF MINUTES OF REGULAR MEETING HELD JUNE 4, 2024
The Agency considered Minutes of the Regular Meeting held June 4, 2024. There were no changes, corrections or deletions.

Mr. Whetstone moved to approve the Minutes of the Regular Meeting held June 4, 2024. Mr. Harmon seconded the motion.

A voice vote was taken and all members voted in favor of the motion.

RESOLUTION 24-09: AUTHORIZE THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY TO RENEW THE HOMETOWN SCHOLARS CONTRIBUTION AGREEMENT WITH THE UNIVERSITY OF UTAH
Chairman Nordfelt presented proposed Resolution 24-09 that would authorize the Redevelopment Agency of West Valley City to Renew the Hometown Scholars Contribution Agreement with the University of Utah.

Written documentation previously provided to the City Council included information as follows:

> As part of the City Council's goal of creating and maintaining a sustainable city, the RDA has been tasked with improving opportunities for secondary education for West Valley City students. The City Council and the Board recognized that having an educated workforce present in the city provides for many economic development opportunities not otherwise available. As the City moves to the future it is important to maintain the workforce already in place and to increase the educational attainment levels of our residents. This is the seventh year of the Opportunity Scholars - RDA partnership.
>
> This year the My Hometown Scholarship program assisted 24 West Valley City University Students. There were 16 students who graduated from the program this year. This scholarship program is widely advertised and promoted at all of the city's high schools as well as to WVC seniors that live in the City but may attend schools out of our boundary. If these students take the My Hometown scholarship monies, they agree to represent West Valley City and will either remain living in the City or come back to the city and seek employment long term in the City as well.
>
> The RDA will use its state law mandated housing set aside money to provide affordable housing and other tools to at least 16 students from West Valley City that will attend the University of Utah in the Fall of 2024. These students will be in the program, will live at Fairbourne Station, will attend classes via the Trax line, and will be provided other mentor and scholarship opportunities through the university to ensure their success. Opportunity scholars has a 93% graduation rate for those in its program. Opportunity scholars serves first generation college students. The Opportunity Scholars program provides retention resources such as tutors, mentors, internships, advising, career-services, service-learning projects,

community outreach, networking opportunities, counseling, financial assistance, and access to the program director.

A student recipient of the scholarship expressed deep gratitude for being part of the scholarship program. She mentioned being involved with the program since sophomore year and highlighted how it has made a significant impact on her life. She emphasized the practical benefits of living at Fairbourne, such as convenient access to transportation and a supportive community, which have allowed her to focus on her studies. The student noted that she is a first-generation student and shared how this scholarship has been a source of pride for both herself and her family. She indicated that it has helped pave the way for her siblings and shown that higher education is attainable, even in communities where it might seem out of reach. She discussed challenges she would face if she were living at home, such as managing family responsibilities, and how having a safe space to focus on her studies has made a world of difference. The student expressed deep appreciation for the opportunity provided by the scholarship.

A student introduced themselves as a recent recipient of the Opportunity Scholars scholarship. She mentioned being a transfer student who just started attending the University and expressed gratitude for the scholarship she received. She highlighted the convenience of having easy access to public transportation, which has already been a significant help in her new academic journey. As a first-generation student, she shared how pursuing higher education has always been a goal, though it sometimes felt discouraging. However, thanks to the scholarship, she now feels closer to achieving her dream.

A student expressed gratitude for receiving the Opportunity Scholars scholarship and shared his recent experience as a transfer student who just began attending the University of Utah. He mentioned the convenience of living close to the TRAX, which makes commuting to campus easy and stress-free. He noted that, as a first-generation college student, pursuing higher education has always been a goal and the scholarship has provided much-needed support, bringing him closer to achieving his dreams. The student explained that before receiving the scholarship, he lived in his parents' basement and garage due to their large family size. The scholarship has alleviated this burden by providing him with a place to live, allowing him to focus on his studies without the worry of inadequate housing. He also shared his excitement about participating in a study abroad program in Korea during the spring semester, for which the scholarship will also provide financial support. He concluded with a heartfelt thanks, emphasizing how much the scholarship has positively impacted his life.

Upon inquiry by Chairman Nordfelt there were no further questions from members of the Agency, and he called for a motion.

DRAFT

Mr. Huynh moved to approve Resolution 24-09.

Mr. Christensen seconded the motion.

A roll call vote was taken:

Mr. Fitisemanu	Absent
Mr. Whetstone	Yes
Mr. Harmon	Yes
Mr. Huynh	Yes
Ms. Lang	Absent
Mr. Christensen	Yes
Chair Nordfelt	Yes

Unanimous.

MOTION TO ADJOURN
Upon motion by Mr. Christensen, all voted in favor to adjourn.

THERE BEING NO FURTHER BUSINESS OF THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY, THE SPECIAL MEETING OF TUESDAY, AUGUST 20, 2024, WAS ADJOURNED AT 6:51 PM. BY CHAIRMAN NORDFELT.

I hereby certify the foregoing to be a true, accurate and complete record of the proceedings of the Special Meeting of the Redevelopment Agency of West Valley City held Tuesday, August 20, 2024.

____
Nichole Camac
Secretary

DRAFT

Item:
Fiscal Impact: $32,000,000
Funding Source: Buyer
Account #: ______
Budget Opening Required: ☐

ISSUE:

This resolution would approve an agreement between West Valley City Redevelopment Agency and Nimesh Chaudhari for the purchase of the Embassy Suites Hotel in West Valley City.

SYNOPSIS:

Mr. Nimesh Chaudhari (Buyer) has submitted a Purchase and Sale Agreement to the WVC RDA for the purchase of the Embassy Suites Hotel in West Valley City. The purchase price is $32,000,000 with $6,000,000 being credited to the Buyer at closing. Buyer will be assuming the existing franchise agreement associated with the Property and will be solely responsible for the required Property Improvement Plan (PIP) due under said franchise agreement.

BACKGROUND:

Upon the written request from West Valley Hotel Holdings, LLC to terminate the Asset Management Agreement and Purchase Option for the Embassy Suites Hotel in West Valley City, a Settlement Agreement was drafted and signed by Ifo Pili, acting as the Executive Director of the WVC RDA. Having had previous meetings with the Buyer's agents, the Economic Development Department reached out to discuss the purchase of the Embassy Suites Hotel. The agent subsequently submitted a Letter of Intent to purchase the hotel, which was signed and accepted by Ifo Pili. After negotiations, property inspections, and some other initial due diligence, an offer was presented to the WVC RDA in the form of a Purchase and Sale Agreement in the amount of $32,000,000 with $6,000,000 being credited to Buyer at closing. The balance after credit, and commission to Buyer's Agent, will be sufficient to repay all debt remaining on the hotel property. The Purchase and Sale Agreement has a Settlement Deadline of 75 days from acceptance, and $100,000 Earnest Money Deposit 5 days from acceptance.

RECOMMENDATION:
The WVC Economic Development Department recommends approval.

SUBMITTED BY:
Jonathan Springmeyer, Economic Development Director/RDA Director

REDEVELOPMENT AGENCY OF WEST VALLEY CITY, UTAH

RESOLUTION NO. _____________

A RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE A PURCHASE AND SALE AGREEMENT WITH NIMESH CHAUDHARI.

WHEREAS, the Agency owns and desires to sell certain property at 3524 Market Street; and

WHEREAS, Nimesh Chaudhari ("Buyer") is willing to purchase said Property from the Agency; and

WHEREAS, a Purchase and Sale Agreement and a For Sale by Owner Commission Agreement (collectively, the "Agreement") have been prepared by and between the Agency and Buyer;

WHEREAS, the Board of Directors of the Redevelopment Agency of West Valley City does hereby determine that it is in the best interests of the health, safety, and welfare of the citizens of West Valley City to execute the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Redevelopment Agency of West Valley City that the Agreement is hereby approved, that the chair and chief executive officer are authorized to execute said Agreement, and that the Agency is authorized to accept, execute, and record any deeds or documents needed to accomplish the purposes of said Agreement, subject to final approval of the form of said documents by the City Attorney's Office.

PASSED, APPROVED and **MADE EFFECTIVE** this _________________day of _______ _________________________, 2024.

REDEVELOPMENT AGENCY OF WEST VALLEY CITY

____
CHAIR

ATTEST:

____
SECRETARY

Docusign Envelope ID: 84507762-CA02-47CD-AA7C-2629B16412FC

PURCHASE AND SALE AGREEMENT FOR COMMERCIAL REAL ESTATE

This is a legally binding contract. This form has been prepared by counsel for the Utah CCIM Chapter. Parties to this Purchase and Sale Agreement for Commercial Real Estate (the "PSA") may agree, in writing, to alter or delete provisions of this PSA. All such changes should be reflected in an Addendum. The body of this PSA should not be modified. Seek advice from your attorney and tax advisor before entering into a binding contract.

OFFER TO PURCHASE COMMERCIAL OR MULTI-FAMILY PROPERTY

"REFERENCE DATE": August 15, 2024

"SELLER": Redevelopment Agency of West Valley City **With**

Notices to be given at: Street Address 3600 S Constitution Blvd.

City, State, Zip Code West Valley City, UT 84119

Fax, Email

"BUYER": Nimesh Chaudhari and/or assigns

With Notices to be given at: Street Address 406 South Jordan Parkway

City, State, Zip Code South Jordan, UT 84095

Email: nimesh@mscclc.com

"PROPERTY": Name/General Description:

Address: 3524 Market Street
City: West Valley City **County:** Salt Lake **Utah, Zip:** 84119
County Tax Parcel #: Salt Lake County Parcel No.15-33-126-043
Source of legal description (check applicable box):
[X] TITLE COMMITMENT (See Section 8(a))
[ ] SURVEY (See Survey Addendum, if applicable)
The Property also includes certain rights and interests described in Section 2.

"DEED": [X] General Warranty Deed [ ] Special Warranty Deed [ ] Other ________

"TITLE POLICY": [X] Standard Coverage [ ] Extended Coverage

"PURCHASE PRICE": $32,000,000 (Thirty Two Million Dollars)

"EARNEST MONEY DEPOSIT": $100,000 (One Hundred Thousand Dollars) in the form of: [X] Wire Transfer [ ] Buyer's Check to be deposited with [ ] Buyer's Brokerage [ ] Title Company/Escrow Agent [ ] Other________. Buyer agrees to deliver the Earnest Money Deposit no later than five (5) Business Days after Acceptance (as defined in Section 23). The Brokerage or Other depository shall deposit the Earnest Money into the Real Estate Trust Account no later than five (5) Business Days from receipt.

"SELLER DISCLOSURE DEADLINE": (Date) 10 Days from Acceptance

"DUE DILIGENCE DEADLINE": (Date) 60 Days from Acceptance

"SETTLEMENT DEADLINE": (Date) 75 Days from Acceptance

"SELLER'S AGENT / BROKERAGE": Unrepresented / West Valley City Attorney

"BUYER'S AGENT / BROKERAGE": Rich Summers | KW South Valley Keller Williams

"TITLE COMPANY/ESCROW AGENT": Carol Pauli | First American Title Company

"MEDIATION": Seller and Buyer **[X] DO [ ] DO NOT** elect to mediate in accordance with the provisions of Section 15.

ADDITIONAL TERMS: There **[X] ARE [ ] ARE NOT** addenda to this PSA containing additional terms. If there are, the terms of the following (each, an "**Addendum**" or collectively, the "**Addenda**") are incorporated into this PSA by this reference: **[ ]** Seller Financing **[ ]** Financing Contingency **[ ]** ALTA Survey **[ ]** Assumption of Financing **[X]** Other Addendum

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OFFER TO PURCHASE

1. OFFER TO PURCHASE. Buyer offers to purchase the Property from Seller for the Purchase Price and otherwise upon the terms and subject to the conditions set forth in this PSA. Certain capitalized terms used in this PSA are defined in Section 27.

2. PROPERTY. Unless excluded by another provision of this PSA or an Addendum or Counteroffer, the Property includes: (a) all non-trade fixtures presently attached to the Property; (b) all personal property owned by Seller and used primarily in connection with the Property; (c) Seller's right, if any, in any names or trademarks under which the Property is operated, but not including the generic name or trademarks of Seller; (d) all rights and easements appurtenant to the Property; and (e) all water rights and/or water shares, if any, that are the source for culinary or secondary water used in connection with the Property.

3. PAYMENT OF PURCHASE PRICE. Unless the Loan Assumption Addendum or the Seller Financing Addendum is part of this PSA, the Purchase Price and all other sums shall be paid by federal funds wire transfer or other collected funds at the Closing.

4. SETTLEMENT AND CLOSING. Settlement shall take place on the Settlement Deadline or on another date upon which the Parties agree in writing.

4.1 Settlement. "**Settlement**" shall be deemed to have occurred only when all of the following have been fully completed: (a) Buyer and Seller have signed and delivered to the Escrow Agent all documents required by this PSA, by any lender, or by Applicable Law; (b) any monies required to be paid by Buyer under this PSA (except for the proceeds of any new loan) have been delivered by Buyer to the Escrow Agent; and (c) any monies required to be paid by Seller under this PSA have been delivered by Seller to the Escrow Agent. Seller and Buyer shall each pay one-half (1/2) of the fee charged by the Escrow Agent for its services in the Settlement and Closing. Taxes and assessments for the current year, collected rents, association dues, utilities and charges accrued under contracts relating to the Property and assumed by Buyer, operating expenses relating to the Property and interest on any assumed obligations shall be prorated as of 11:59 p.m. on the day prior to Settlement unless otherwise agreed to in a settlement statement or other writing executed by the Parties. Tenant deposits (including, but not limited to, security deposits and prepaid rents) shall be paid or credited by Seller to Buyer at Settlement.

4.2 Closing. "**Closing**" means consummation of the transaction contemplated by this PSA and shall be deemed to have occurred only when: (a) Settlement has occurred; (b) the proceeds of any new loan have been delivered by the lender to the Escrow Agent; and (c) the applicable Closing documents have been recorded in the Official Records of the County Recorder of the County in which the Property is located. If a lender is funding a portion of the Purchase Price, loan proceeds must be delivered to Escrow Agent not later than the end of the fifth (5^{th}) Business Day following completion of Settlement or Buyer shall be in default.

5. POSSESSION. Seller shall deliver physical possession of the Property to Buyer within twenty-four (24) hours following Closing or at such other date and time as is specified in an Addendum.

6. CONFIRMATION OF BROKERAGE FEES AND AGENCY DISCLOSURE. Buyer and Seller each acknowledge prior receipt of written agency disclosure provided by their respective Agents that has disclosed the agency relationships that are confirmed in the Fundamental Terms. Buyer and Seller further acknowledge that brokerage fees due as a result of this transaction are being paid based upon the terms of a separate written agreement. If an Agent or Brokerage represents both Seller and Buyer, then he, she or it shall constitute a Limited Agent as defined in applicable regulations of the Utah Division of Real Estate.

7. DEED AND TITLE INSURANCE.

7.1 Deed. Seller will convey title to Buyer at Closing by statutory form of Deed specified in the Fundamental Terms. Buyer agrees to accept title to the Property subject to: (a) the Permitted Exceptions (defined below); (b) any lease or property management agreement timely disclosed to Buyer pursuant to Section 8 below and not objected to by Buyer prior to the Due Diligence Deadline; and (c) any title exception arising by, through or under Buyer.

7.2 Title Policy. At Settlement, Seller agrees to pay for the Title Policy specified in the Fundamental Terms, in the amount of the Purchase Price insuring title to the Property to Buyer subject only to the Permitted Exceptions (the "**Title Policy**"). Buyer, at its sole option, cost and expense, may elect to obtain additional coverage or additional specific endorsements.

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8. SELLER DISCLOSURES. No later than the Seller Disclosure Deadline, Seller shall provide to Buyer the following, to the extent they are within the possession or control of Seller, and at Seller's sole cost and expense (the "**Seller Disclosures**"):

(a) a title commitment (the "**Title Commitment**") from a title company selected by Seller (the "**Title Company**"), together with a copy of each instrument, agreement or document listed as an exception to title in such Title Commitment;

(b) a Seller property condition disclosure for the Property signed and dated by Seller;

(c) a true and correct copy of all management agreements and contracts affecting the Property;

(d) all copies in Seller's possession of studies and/or reports which have previously been performed in connection with or for the Property, including without limitation, environmental reports, soils studies, seismic studies, physical inspection reports, site plans and surveys, and identification of such studies of which Seller is aware but that are not in Seller's possession;

(e) all copies of written notices relating to a violation of Applicable Law including, without limitation, Environmental Law and laws relating to land use, zoning or compliance with building codes;

(f) evidence of any water rights and/or water shares used in connection with the Property;

(g) all other documents described as Seller's Disclosures in any Addenda or Counteroffers to this PSA;

(h) a true and correct copy of all leases and rental agreements now in effect with regard to the Property (the "**Leases**"), together with a current rent roll (the "**Rent Roll**"), each certified as correct and complete by Seller; and

(i) operating statements of the Property for its last three full fiscal years of operation plus the current fiscal year through the last day of the month prior to the Effective Date, certified as correct and complete by the Seller or by an independent certified public accountant (the "**Operating Statements**").

(j) To the Knowledge of Seller, there are no material defects or deficiencies in the design, construction, fabrication, manufacture or installation of the improvements to the Property or any part thereof or any system, element or component thereof, and all systems elements and components of the Property (including all machinery, fixtures and equipment, the roof, foundation and structural elements, and the elevator, mechanical, electrical and life safety systems) are in good working order and repair and sound operating condition in all material respects except for normal wear and tear.

9. **BUYER'S DUE DILIGENCE AND RIGHT TO CANCEL.** No later than the Due Diligence Deadline, Buyer, at its sole cost and expense, shall: (a) conduct such Due Diligence as it deems necessary and appropriate; and (b) determine if the results of its Due Diligence are acceptable. The Due Diligence Deadline is subject to extension as set forth in any Addendum attached hereto. If, prior to Closing, the Title Company issues a supplemental or amended title report showing additional title exceptions (the "**Amended Title Commitment**"), Due Diligence Deadline shall be extended five (5) Business Days from the date of Buyer's receipt of such Amended Title Commitment.

9.1 Title and Survey Matters. In conducting its due diligence prior to the Due Diligence Deadline, Buyer may review the Title Commitment, Survey and all other Seller Disclosures as referenced in Section 8. Seller agrees to cooperate with Buyer in connection with Buyer's Due Diligence investigation by providing additional information or documentation reasonably requested by Buyer.

(a) Removal of Monetary Liens. Notwithstanding anything in this PSA to the contrary, unless specifically set forth in an Addendum or Counteroffer, Seller covenants and agrees that all Monetary Liens shall be removed by Seller at Closing or insured against by the Title Insurer at Seller's sole cost and expense, regardless of whether Buyer has objected to such Monetary Lien(s). This provision will survive Closing.

(b) Permitted Exceptions. Those matters reflected in the Title Commitment to which Buyer does not object or agrees to waive following objection; provided however that Permitted Exceptions does not include (i) delinquent taxes or assessments, or (ii) deeds of trust, mortgages, judgment liens, mechanics' liens, materialmen's liens, and other liens or monetary encumbrances placed on or against the Property.

9.2 Inspection. In conducting its Due Diligence prior to the Due Diligence Deadline, and at any time thereafter until Settlement, Buyer may, upon reasonable notice and at reasonable times, conduct inspections, appraisals and for tests on the Property. Buyer shall enter to conduct such inspections and tests on the Property only during reasonable hours and with reasonable prior notice to Seller. Seller shall have the right to accompany Buyer and any of its agents on the Property at all times. All inspections and tests shall be conducted in a manner that does not unreasonably disrupt the activities and business of Seller and its tenants, and Buyer shall indemnify, hold harmless and defend Seller, its tenants and their employees, invitees and guests from and against any and all liabilities, claims, actions or damages (including reasonable attorneys' fees and court costs) which arise from, are caused by, or are in any manner connected with Buyer's Due Diligence and caused by or arising from the actions of

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Buyer, including, without limitation, claims for payment for inspection services, claims for mechanic's liens, claims for physical damage to the Property and claims arising from personal injury.

9.3 Buyer's Right to Cancel or Resolve Objections.

(a) Right to Cancel or Object. If Buyer, in Buyer's sole discretion, determines that the results of the Buyer's Due Diligence are not acceptable, then, not later than the Due Diligence Deadline, Buyer shall either: (a) cancel this PSA by providing written notice to Seller, in which event the Earnest Money Deposit shall be released to Buyer; or (b) provide to Seller one or more written notices setting forth Buyer's objections in reasonable detail (the "**Objections**").

(b) Failure to Respond. If Buyer does not timely take either of the actions described in Section 9.3, then the results of the Buyer's Due Diligence shall be deemed approved by Buyer, all Objections which Buyer could have asserted shall be deemed waived by Buyer and, unless another condition or contingency set forth in an Addendum or Counteroffer remains unsatisfied, the Earnest Money Deposit shall become nonrefundable except in the event of Seller's default.

(c) Response by Seller. If Buyer timely provides Objections to Seller, Buyer and Seller shall have five (5) Business Days after Seller's receipt of the Objections (the "**Response Period**") in which to agree in writing upon the manner of resolving the Objections. Seller may, but shall not be required to, resolve the Objections. If Buyer and Seller have not agreed in writing upon the manner of resolving the Objections prior to the expiration of the Response Period, Buyer may cancel this PSA by delivering written notice to Seller not later than five (5) Business Days after the end of the Response Period (the **"Termination Date"**); whereupon the Earnest Money Deposit shall be released to Buyer and neither Party shall have any further rights, obligations or liabilities under this PSA except as expressly set forth herein. If this PSA is not canceled by Buyer under this Section, the Objections shall be deemed waived by Buyer and the Earnest Money Deposit shall become nonrefundable except upon Seller's default. If the Response Period extends past the Settlement Deadline, the Settlement Deadline shall be extended to the date that is five (5) Business Days following the extended Termination Date. If the Termination Date extends past the Settlement Deadline, the Settlement Deadline shall be extended to the date that is five (5) Business Days following such Termination Date.

9.4 Estoppel Certificates. For a Commercial Property involving commercial leases, Seller shall deliver to Buyer, not less than five (5) Business Days prior to the Closing Date, in form reasonably required by Buyer or its secured lender, or in the form required by the applicable Leases, executed estoppel agreements from all tenants of the Property except as set forth in an Addendum attached hereto. If Seller cannot cause the required tenants to execute estoppel agreements in a form reasonably acceptable to Buyer and to Buyer's lender at least five (5) Business Days prior to the Settlement Date, Buyer may, at its sole discretion, extend the Settlement Deadline for up to thirty (30) Business Days to allow Seller additional time to obtain the required estoppel certificates. If Seller does not obtain the required estoppel agreements, Buyer may terminate the PSA by written notice to Seller, in which event the Earnest Money Deposit shall be returned to Buyer, and no Party shall have any further rights, obligations, or liabilities under the PSA except as expressly set forth in the PSA. If Buyer does not timely terminate the PSA, then Buyer shall be deemed to have waived the provisions of this Section.

10. SELLER REPRESENTATIONS AND WARRANTIES. Seller represents and warrants that the following statements are true and complete as of the Effective Date and shall be true and complete as of the Settlement and Closing. The following representations and warranties shall survive the date of Closing for one (1) year, and shall terminate and be null and void if or to the extent a legal action has not been filed in a court of competent jurisdiction prior to the expiration of such one (1) year period:

(a) there is no action, suit, administrative proceeding or other proceeding pending in any court or before any arbitrator of any kind or before or by any governmental body or, to Seller's knowledge, threatened against Seller and/or the Property which may adversely affect the transaction contemplated by this PSA;

(b) all work which has been or will be performed in, on or about the Property, or materials furnished to the Property which might in any circumstances give rise to a mechanic's or materialman's lien (other than relating to work performed by Buyer), will be paid and all necessary waivers of rights to a mechanic's or materialman's lien for such work will be obtained;

(c) Seller has not received any written notice or citation indicating that the Property is in material violation of Applicable Law;

(d) to Seller's knowledge, the consummation of the transactions contemplated by this PSA and the compliance by Seller with the terms of this PSA do not and will not conflict with or result in a material breach of any of the terms or provisions of any agreement, arrangement, undertaking, accord, document, or instrument to which Seller is a party or by which Seller or the Property is bound; and

(e) seller is not a "foreign person" as that term is defined in Code Section 1445 and shall deposit with Escrow Agent at or prior to Settlement, an affidavit in such form as may be required by the U.S. Internal Revenue

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Service, setting forth Seller's full name, address and taxpayer identification number and stating under penalty of perjury that Seller is not a "**foreign person**" as so defined.

(f) except as set forth in writing, upon delivery and to Seller's knowledge, all copies Seller provides to Buyer under Section 8 above are true and correct copies of the originals or copies within Seller's possession.

(g) to the Knowledge of Seller, the Property is in compliance with all Applicable Law.

(h) to the Knowledge of Seller and except as disclosed by environmental reports provided to Buyer, no Hazardous Material is present in, on or under the Property or any nearby real property which could migrate to the Property. Seller has not used the Property or any part thereof, and to its Knowledge no other Person has used the Property or any part thereof, for the production, processing, manufacture, generation, treatment, handling, storage, transportation or disposal of Hazardous Material while the Property has been owned by Seller;

(i) except as disclosed by Seller in writing: (i) the Leases and all information shown in the Rent Roll will be and is accurate and complete; (ii) the Leases are in full force and effect and all rent is accruing without offset or deduction; (iii) there are no Persons leasing or, to the Knowledge of Seller, occupying the Property except the tenants described in the Rent Roll; (iv) the Leases have not been amended or modified except as stated in the Rent Roll; (v) no monthly rent has been paid more than one (1) month in advance and no security deposit or prepaid rent has been paid except as stated in the Rent Roll; (vi) no tenant is entitled to interest on any security deposit; (vii) the tenants have accepted possession of their respective premises and all improvements and construction required to be performed by the landlord under the Leases have been completed; (viii) no event has occurred and no condition now exists which, with or without notice or the passage of time, or both, would constitute a material breach or a default by the landlord or, to the Knowledge of Seller, by any tenant; (ix) no money is owed or will become owing to any tenant for improvements or otherwise under the Leases; and (x) there are no leasing commissions or other commissions, fees or compensation presently owed or which will become due and payable under any of the Leases or which could become due and payable in the future upon the exercise of any right or option contained in any of the Leases; and

(j) the Operating Statements delivered to Buyer are correct and complete in all material respects and accurately show and fairly present all income and expenses of the Property for the periods indicated in all material respects, subject to customary and consistent year-end adjustments.

11. NO OTHER REPRESENTATIONS AND WARRANTIES. Except as expressly set forth in this PSA or in an Addendum or Counteroffer: (a) Buyer is purchasing the Property, and the Property shall be conveyed and transferred to Buyer, "**AS IS, WHERE IS, AND WITH ALL FAULTS**" and specifically and expressly without any warranties, representations or guarantees, either express or implied, of any kind, nature or type whatsoever from or on behalf of Seller; and (b) Seller has not, does not and will not, with respect to the Property, make any warranties or representations, express or implied, or arising by operation of law, including, but in no way limited to, any warranty of condition or merchantability, or with respect to the value, profitability, developability or marketability of the Property.

12. CHANGES PENDING CLOSING. Between the Effective Date and the date of Closing, and except as and to the extent otherwise permitted by an Addendum hereto, Seller shall:

(i) comply with all Applicable Law;
(ii) continue and maintain all current casualty and liability insurance policies on the Property;
(iii) manage, operate, maintain and repair the Property in the ordinary course of business in accordance with sound property management practice and in good repair and working order and condition; and,
(iv) keep in force property insurance covering all buildings, structures, improvements, machinery, fixtures and equipment included in the Property insuring against all risks of physical loss or damage, subject to standard exclusions, in an amount equal to the actual replacement cost (without deduction for depreciation) of such buildings, structures, improvements, machinery, fixtures and equipment.

During such period Seller shall not:

(i) create or suffer to be created any further Monetary Lien against the Property;
(ii) make any substantial alterations or improvements to the Property; or,
(iii) except for the usage and storage of normal and customary amounts of Hazardous Material found in cleaning and maintenance supplies stored and used in compliance with Environmental Law, shall not use, produce, process, manufacture, generate, treat, handle, store, release or dispose of any Hazardous Material in, on or under the Property.

12.1 Leasing Matters. Between the effective Date and the date of Closing, and except as and to the extent otherwise permitted by an addendum hereto. Seller shall provide Buyer with copies of any and all proposed Leases, Lease renewals, Lease modifications and Lease amendments which Seller proposes to execute. Buyer shall have no approval rights with respect to proposed Leases, Lease renewals, Lease modifications and Lease amendments until after the Due Diligence Deadline. From and after the Due Diligence Deadline, Seller will not enter into any new Lease relating to the Property, or any renewal, modification or amendment of any currently

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existing Leases, without first obtaining Buyer's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. Unless the Parties otherwise agree in writing; any brokerage commission payable with respect to a new Lease, a Lease modification and/or Lease amendment executed after the Due Diligence Deadline shall be paid by Buyer; and all tenant improvements required under any Lease (and/or Lease modification and/or amendments) executed after the Due Diligence Deadline shall be completed at Buyer's sole cost and expense.

13. AUTHORITY OF SIGNERS. If Buyer or Seller is a legal entity rather than an individual, each Person executing and delivering this PSA or any Addendum or Counteroffer for it unconditionally and irrevocably warrants his or her authority to do so and to bind Buyer or Seller. Each of Seller and Buyer further warrant that the execution and delivery of this PSA by it has been duly and validly authorized, and all requisite actions have been taken to make this PSA valid, binding and enforceable upon it.

14. COMPLETE CONTRACT. This PSA together with any attached Addendum and Counteroffer, exhibit, and Seller Disclosures, constitutes the entire agreement between the Parties regarding the purchase and sale of the Property and supersedes and replaces any and all prior negotiations, representations, warranties, understandings or contracts between the Parties. This PSA cannot be changed except by written agreement of the Parties. Subject to the limitations on assignment expressly set forth in any Addendum or Counteroffer, this PSA shall inure to the benefit of and be binding on the Parties hereto and their respective heirs, legal representatives, successors and assigns.

15. MEDIATION. If the Parties have elected to mediate by checking the appropriate box in the Fundamental Terms, any dispute relating to this PSA that arises prior to or after Closing shall first be submitted to mediation. Mediation is a process in which the Parties meet with an impartial Person who helps to resolve the dispute informally and confidentially. Mediators cannot impose binding decisions. The Parties to the dispute must agree in writing before any settlement is binding. The Parties will jointly appoint an acceptable mediator and will share equally in the cost of such mediation. The mediation, unless otherwise agreed, shall terminate in the event the entire dispute is not resolved thirty (30) days from the date written notice requesting mediation is sent by one Party to all other Parties. If mediation fails, the other procedures, rights and remedies available to the Parties under this PSA shall apply. Nothing in this Section shall prohibit any Party from seeking emergency equitable relief pending mediation including, without limitation, an injunction.

16. DEFAULT. In the event of a default by Buyer, Seller shall be entitled, as Seller's sole and exclusive remedy, to terminate this PSA by written notice to Buyer, in which event the Earnest Money Deposit shall be paid to Seller as liquidated damages. In the event of a default by Seller, Buyer shall be entitled, at its option: (a) to terminate this PSA by written notice to Seller, in which event the Earnest Money Deposit shall be returned to Buyer and Buyer shall be entitled to and agrees to accept from Seller, a sum equal to the Earnest Money Deposit as liquidated damages; (b) to enforce Seller's obligations under this PSA by a suit for specific performance; or (c) accept a return of the Earnest Money Deposit, or Deposits, if applicable, and pursue any other remedies available at law. Upon termination of this PSA by either Party, no Party shall have any further rights, obligations, or liabilities hereunder except as expressly set forth in this PSA. The Parties acknowledge and agree that the actual damages upon default are uncertain in amount and difficult to ascertain, and that the amount of liquidated damages specified in this Section was reasonably determined.

17. ATTORNEYS' FEES AND COSTS. In the event of litigation or binding arbitration arising out of this PSA, the prevailing Party shall be entitled to costs and reasonable attorneys' fees. Attorneys' fees shall not be awarded for participation in mediation under Section 15.

18. NOTICES. All notices required under this PSA must be: (a) in writing; (b) signed by the Party giving notice; and (c) received by the other Party, the other Party's Agent or the other Party's Brokerage no later than the applicable date referenced in this PSA. Notices may be hand delivered, faxed, emailed, delivered by certified mail, return receipt requested or by a national overnight courier service such as, but not limited to, Federal Express. If a notice is sent by electronic transmission, the burden of proving receipt will be on the sender.

19. ABROGATION. Except for the provisions of Sections 5, 7, 9.2, 14 and 15 and any other provisions of this PSA which expressly survive the termination of this PSA, the provisions of this PSA shall not be enforceable after Closing.

20. RISK OF LOSS; EMINENT DOMAIN. All risk of loss to the Property, including physical damage or destruction to the Property or its improvements due to any cause except ordinary wear and tear and loss caused by a taking in eminent domain, shall be borne by Seller until Closing. In the event of any destruction exceeding five percent (5%) of the Purchase Price or any taking or commencement of a taking by any governmental agency of a

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material portion of the Property, Buyer may, at Buyer's sole discretion, terminate this PSA by written notice to Seller within ten (10) days of notice of the commencement of taking or event of destruction, in which event all the Earnest Money Deposit, together with any interest accrued thereon, shall be promptly refunded to Buyer. If Buyer does not terminate this PSA, the insurance or condemnation proceeds, or right to collect the same, shall be paid or assigned to Buyer at Closing.

21. TIME IS OF THE ESSENCE. Time is of the essence regarding the dates set forth in this PSA, and any extension of the time for performance of any obligation or satisfaction of any condition must be agreed to in writing by all Parties. Unless otherwise explicitly stated in this PSA: performance under this PSA which references a date shall absolutely be required by 5:00 P.M. Mountain Time on the stated date. Business Days shall be counted (beginning on the day following the event which triggers the timing requirement (i.e., delivery of a specified notice, etc.). If the date for performance falls, or the deadline expires on a day which is not a Business Day, performance shall be required or the deadline shall expire on the next Business Day thereafter. Performance dates and times referenced herein shall not be binding upon title companies, lenders, appraisers and other Persons which are not Parties, except as otherwise agreed to in writing by such Persons.

22. ELECTRONIC TRANSMISSION AND COUNTERPARTS. Facsimile (fax) or Email transmissions of a signed copy of this PSA, any Addenda and Counteroffers thereto, and the retransmission of any signed fax or Email shall be the same as delivery of an original, subject to confirmation of receipt by the other party hereto. This PSA and any Addenda and Counteroffers thereto may be executed in counterparts.

23. ACCEPTANCE. "**Acceptance**" occurs when Seller or Buyer, responding to an offer or counteroffer of the other: (a) signs the offer or counteroffer where noted to indicate acceptance; and (b) delivers to the other Party or to the other Party's Agent or Brokerage written acceptance of the offer or counteroffer by hand delivery, fax, email, delivery by certified mail, return receipt requested or by a national overnight courier service such as, but not limited to, Federal Express. The burden of proving delivery will be on the sender.

24. DEADLINES. Buyer and Seller agree that Seller Disclosure Deadline, the Due Diligence Deadline and Settlement Deadline are as set forth in the Fundamental Terms, as modified by any Addendum hereto.

25. TAX DEFERRED EXCHANGE. Each Party shall cooperate with the other Party in effecting a tax deferred exchange under the I.R.S. Code; provided however, that the other Party's cooperation shall be conditioned on the following: (a) the exchange will be at no additional liability and cost to the other Party; (b) the exchange will not delay Settlement or Closing; and (c) the other Party shall not be required to acquire title to any proposed exchange properties to accommodate an exchange. Except in cases of Default by a non-exchanging party, the exchanging Party hereby indemnifies and agrees to defend and hold the other Party harmless from and against any and all claims, demands, costs and expenses which the other Party may sustain or incur resulting from the attempt by the exchanging Party to consummate the sale or acquisition of the Property as a tax deferred exchange.

26. JOINT PREPARATION. The provisions of this PSA have been negotiated by all Parties hereto and should therefore not be interpreted or construed in favor of or with prejudice against any particular Party, but in accordance with the general tenor of the language used.

27. DEFINITIONS. Certain capitalized terms previously used in this PSA are defined above. In addition to those capitalized terms, the following capitalized terms shall have the following meanings:

"Agent" means Buyer's Agent or Seller's Agent, as applicable.

"Applicable Law" shall mean and include any and all laws, rules, regulations or ordinances of any governmental authority having jurisdiction over a specified matter, as the same may be in effect from time to time, including, without limitation, any Environmental Law.

"Brokerage" means Buyer's Brokerage or Seller's Brokerage, as applicable.

"Business Day" shall mean any day other than a Saturday, Sunday, or legal holiday on which national banks in Utah are authorized by federal law to close.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations issued thereunder.

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"Counteroffer" means a Counteroffer signed by the Party making the Counteroffer to this PSA, and which Counteroffer will be attached to this PSA as an addendum.

"Deed" means the form of Deed checked in the appropriate box on page 1 of this PSA in the Fundamental Terms.

"Due Diligence" means such investigations of and tests on or regarding the Property as Buyer deems necessary and appropriate.

"Effective Date" means the date both Seller and Buyer have executed this PSA and accepted Counteroffers and Addenda, as applicable.

"Environmental Law" shall mean any federal, state, or local law, statute, ordinance, rule, or regulation pertaining to health, industrial hygiene, or the environmental conditions on or under the Property, or relating to releases, discharges, emissions, or disposals from the Property to air, water, soil, or groundwater, or relating to the withdrawal or use of groundwater, or relating to the use, handling, or disposal of polychlorinated biphenyls, asbestos, or urea formaldehyde, or relating to the treatment, disposal, storage, or management of Hazardous Materials or relating to the transportation, storage, disposal, or management, including, without limitation, the Comprehensive Environmental Response Compensation, and Liability Act of 1980, as amended, and the Resource Conservation and Recovery Act of 1976, as amended, and all rules, and regulations, published pursuant thereto or promulgated thereunder.

"Fundamental Terms" means the Fundamental Terms of Offer to Purchase set forth on page 1 of this PSA as modified by an accepted Counteroffer or Addendum.

"Hazardous Material" shall mean and include, without limitation: (a) those substances included within the definitions of "**hazardous substances**" and "**hazardous waste**" in any Environmental Law; and (b) any material, waste, or substance which is or contains asbestos, polychlorinated biphenyls, petroleum and its derivative by-products, and other explosive or radioactive materials.

"Knowledge" means the actual knowledge of a Party and imposes a duty to investigate the applicable files and records but without a duty of further inquiry. The knowledge of a specific person may be set forth in an Addendum, if desired.

"Lease" shall have the meaning set forth in Section 8(h).

"Monetary Liens" means each of the following to the extent arising by, through or under Seller: judgment liens, mortgages, deeds of trust, mechanic's liens, pre-construction liens, liens that secure the payment of money or credit, and liens or charges for delinquent taxes.

"Operating Statements" shall have the meaning set forth in Section 8(i).

"Parties" means Seller and Buyer.

"Party" means Seller or Buyer.

"Permitted Exception" has the meaning set forth in Section 9.1(b).

"Person" means any natural individual human, any legal entity, a trust or the trustees of a trust acting in such capacity.

"Reference Date" means the date set forth in the Fundamental Terms on which the offer was prepared.

"Title Commitment" means a commitment issued by the Title Insurer for the Title Policy insuring the Owner's title in the Property in the full amount of the Purchase Price.

"Title Policy" means a standard 2006 ALTA Owner's Policy of Title Insurance issued by the Title Insurer.

OFFER AND TIME FOR ACCEPTANCE. Buyer offers to purchase the Property on the above terms and conditions. If Seller does not accept and deliver an acceptance of this Offer by 5:00 P.M. Mountain Time on

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September 5, 2024 this Offer shall lapse, and the Buyer's Brokerage or Escrow Agent, as applicable, shall return the Earnest Money Deposit to Buyer.

If Buyer is an individual or individuals:

DocuSigned by:
Nimesh Chaudhari
C24BB852742F452

(Signature of Buyer)	Nimesh Chaudhari (Print Name of Buyer)	8/15/2024 | 12:53 PDT (Date)
(Signature of Buyer)	(Print Name of Buyer)	(Date)

If Buyer is an entity:

(Print Name of Entity) (Date)

(State of Formation and Type of Entity)

By:______________________
(Signature of Authorized Signer)

Name:______________________
(Print Name of Authorized Signer)

Its:______________________
(Print Position of Signer)

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ACCEPTANCE/COUNTEROFFER/REJECTION

CHECK ONE:

[X] **ACCEPTANCE OF OFFER TO PURCHASE:** Seller accepts the foregoing offer on the terms and conditions specified above.

[ ] **COUNTEROFFER:** Seller presents for Buyer's acceptance the terms of Buyer's offer subject to the exceptions or modifications as specified in the attached Addendum No. ______.

(Signature of Seller) (Print Name of Seller) (Date)

[ ] **REJECTION**

(Signature of Seller) (Print Name of Seller) (Date)

If Seller is an individual or individuals:

If Seller is an entity:

(Print Name of Entity) (Date)

(State of Formation and Type of Entity)

By:______________________________
(Signature of Authorized Signer)

Name:______________________________
(Print Name of Authorized Signer)

Its:______________________________
(Print Position of Signer)

Approved as to form 8/26/2024

Brandon Hill

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Utah CCIM Chapter

ADDENDUM NO. 1 TO PURCHASE AGREEMENT

ADDENDUM [X] COUNTEROFFER [ ] to that PURCHASE AND SALE AGREEMENT FOR COMMERCIAL REAL ESTATE (the "**PSA**") with a Reference Date of **August 15, 2024** including all other Addenda and Counteroffers thereto, between Buyer and Seller (as described in the Fundamental Terms) pertaining to the following Property: **3524 Market St., West Valley City, UT 84119 / Salt Lake County Parcel No. 15-33-126-043**

The following terms constitute an addendum (the "**Addendum**") to the specified terms in the PSA or identified Addendum.

1. ADDITIONAL SELLER DISCLOSURES. In addition to the Seller Disclosures referenced in section 8 of the PSA, Seller agrees to provide any requested documentation needed for the Buyer to obtain financing within 21 days of such request.

2. CLOSING DEADLINE. Buyer retains the right to conclude the transaction prior to the Settlement Deadline. Buyer shall provide written notification to the seller within a period of 7 days prior to the anticipated early closing.

3. PROPERTY DEBTS. Seller warrants that there will not be any unpaid invoices associated with any state construction registry preliminary notices, or other debts owed against the Property, which shall not be fully satisfied at Closing.

4. INCLUDED BUSINESS PROPERTY. All furniture, computers, equipment, telephone systems, fixtures, any shuttle van/vehicle used in the operation of the business, and all other personal and intellectual property that is, or has been used in the operation of the hotel will be included and transferred to Buyer from Seller, free and clear of all encumbrances, at Closing by way of a Bill of Sale with full warranties and ownership in functional condition.

5. FRANCHISE ASSUMPTION. Buyer [**X**] WILL | [ ] WILL NOT | [ ] N/A be assuming the current franchise associated with the Property. If Buyer checked "WILL" then sections 5.1, 5.2, and 5.3 are included as part of the PSA, otherwise, they are removed. Buyer is responsible for any new ownership Property Improvement Plan that is required by the Franchise as part of the Franchise Assumption.

5.1 FRANCHISE OBLIGATIONS. The Buyer will be assuming the current franchise associated with the Property. Seller warrants that all obligations under any applicable franchise agreements will be current and fully satisfied as of the Settlement Deadline. Buyer is responsible for any new ownership Property Improvement Plan that is required by the Franchise.

5.2 FRANCHISE APPROVAL DEADLINE. 5:00 PM Mountain Time on **60 Days from Acceptance**

5.3 FRANCHISE APPROVAL CONTINGENCY AND TERMINATION. If applicable, Buyer may cancel the PSA and receive a return of its Earnest Money Deposit if Buyer, notwithstanding Buyer's commercially reasonable and diligent efforts, is unable to secure the approval of the Franchisor to assume the current franchise associated with the Property on or before the Franchise Approval Deadline. Buyer must cancel the PSA by written notice delivered to Seller on or before the Franchise Approval Deadline, together with evidence of inability to obtain Franchisor approval, in which event the Earnest Money Deposit shall be returned to Buyer and neither Party shall have any further rights, obligations, or liabilities under the PSA except as expressly set forth in the PSA. If Buyer does not timely terminate the PSA, per this provision if applicable, then Buyer shall be deemed to have waived the Franchise Approval Contingency set forth herein and the Earnest Money Deposit shall continue to be non-refundable except as otherwise set forth in the PSA, and any addenda thereto.

6. FINANCING AND APPRAISAL CONTINGENCY. Buyer may cancel the PSA on or before **60 Days from Acceptance** (the "Financing and Appraisal Deadline"), If, but only if, Buyer is unable to secure the Financing Commitment on or before the Financing Deadline, Buyer may cancel the PSA by written notice delivered to Seller on or before the Financing Deadline, together with evidence of inability to obtain financing, in which event the Earnest Money Deposit shall be returned to Buyer and neither Party shall have any further rights, obligations, or liabilities under the PSA except as expressly set forth in the PSA. If Buyer does not timely terminate the PSA, then Buyer shall be deemed to have waived the financing contingency set forth in this Addendum and the Earnest Money Deposit shall thereafter be non-refundable except as otherwise set forth in the PSA, and any addenda thereto.

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7. REAL PROPERTY ENCUMBRANCES REMOVED. Any Uniform Commercial Code (UCC) filings, Economic Injury Disaster Loans (EIDL), and/or Paycheck Protection Program (PPP) Loans recorded and/or filed against the Property will be paid off at Closing.

8. ADDITIONAL TERMS. Seller shall provide a credit of $6,000,000 to Buyer's at closing.

To the extent the provisions of this Addendum/Counteroffer modify or conflict with any provisions of the PSA or any other prior Addenda or Counteroffer, the provisions of this Addendum/Counteroffer shall control. All other provisions of the PSA and all other Addenda and Counteroffers not modified by this Addendum/Counteroffer shall remain in full force and effect; provided, however, that to the extent the provisions of any Addendum conflict with the provisions of any other Addendum, the Addendum most recently executed by all of the parties will control.

Buyer or Seller, as applicable, shall have until 5:00 P.M. Mountain Time on **September 5, 2024** to accept or reject, and deliver, this Addendum.

DocuSigned by:
Nimesh Chaudhari
C24BB852742E4E2

Nimesh Chaudhari	Nimesh Chaudhari	8/15/2024 | 12:53 PDT
(Signature of Authorized Signer)	(Print Name of Authorized Signer)	(Date)
(Signature of Authorized Signer)	(Print Name of Authorized Signer)	(Date)

ACCEPT / REJECTION / COUNTER OFFER

CHECK ONE

[X] **ACCEPTANCE**: [ ] Seller [X] Buyer ACCEPTS the foregoing ADDENDUM.
[ ] **COUNTER OFFER**: [ ] Seller [ ] Buyer presents as a COUNTER OFFER the terms of attached Addendum No. ___.
[ ] **REJECTION**: [ ] Seller [ ] Buyer REJECTS the foregoing ADDENDUM.

(Signature of Authorized Signer)	(Print Name of Authorized Signer)	(Date)
(Signature of Authorized Signer)	(Print Name of Authorized Signer)	(Date)

Approved as to form 8/26/2024
Brandon Hill

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Utah Association of REALTORS®

EQUAL HOUSING OPPORTUNITY

FOR SALE BY OWNER COMMISSION AGREEMENT & AGENCY DISCLOSURE

This is a legally binding agreement. If you desire legal or tax advice, consult your attorney or tax advisor.

1. THIS COMMISSION AGREEMENT is entered into on this 22nd day of July, 2024 (Date), between KW South Valley Keller Williams (the "Company"), including Rich Summers (the "Agent") as the authorized agent for the Company, and Redevelopment Agency of West Valley City (the "Seller") for real property owned by Seller described as follows: 3524 Market St., West Valley City, UT 84119 / Salt Lake County Parcel No. 15-33-126-043 (the "Property").

2. BROKERAGE FEE. The Seller agrees to pay the Company, irrespective of agency relationship(s), as compensation for services, a Brokerage Fee in the amount of $1,040,000 , if the Seller accepts an offer from Nimesh Chaudhari and/or assigns (the "Buyer"), or anyone acting on the Buyer's behalf, to purchase or exchange the Property. The Seller agrees that the Brokerage Fee shall be due and payable, from the proceeds of the Seller, on the date of recording of closing documents for the purchase or exchange of the Property by the Buyer or anyone acting on the Buyer's behalf. If the sale or exchange is prevented by default of the Seller, the Brokerage Fee shall immediately be due and payable to the Company.

3. PROTECTION PERIOD. If within 3 months after this Commission Agreement is entered into, the Property is acquired by the Buyer, or anyone acting on the Buyer's behalf, the Seller agrees to pay the Company the Brokerage Fee stated in Section 2. The Seller agrees to exempt the Buyer upon entering into a valid listing agreement with another brokerage.

4. SELLER WARRANTIES/DISCLOSURES. The Seller warrants that the individuals or entity listed above as the "Seller" represents all of the record owners of the Property. The Seller warrants that it has marketable title and an established right to sell, lease, or exchange the Property. The Seller agrees to execute the necessary documents of conveyance. The Seller agrees to furnish buyer with good and marketable title, and to pay at Settlement, for a standard coverage owner's policy of title insurance for the buyer in the amount of the purchase price. The Seller agrees to fully inform the Agent regarding the Seller's knowledge of the condition of the Property. The Seller agrees to personally complete and sign a Seller's Property Condition Disclosure form.

5. AGENCY RELATIONSHIPS. By signing this Commission Agreement, the Seller acknowledges and agrees that the Agent and the Principal/Branch Broker for the Company (the "Broker") are representing the Buyer. As the Buyer's Agent, they will act consistent with their fiduciary duties to the Buyer of loyalty, full disclosure, confidentiality, and reasonable care. The Seller acknowledges that the Company and the Agent have advised the Seller that the Seller is entitled to be represented by a real estate agent that will represent the Seller exclusively. The Seller has however, elected not to be represented by a real estate agent in this transaction. The Seller further acknowledges and agrees that all actions of the Company and the Agent, even those that assist the Seller in performing or completing any of the Seller's contractual or legal obligations, are intended for the benefit of the Buyer exclusively. This Commission Agreement does not require the Company or the Agent to solicit offers on the Property from the Buyer, nor does it authorize the Company or the Agent to solicit offers from any other person or entity.

6. PROFESSIONAL ADVICE. The Company and the Agent are trained in the marketing of real estate. Neither the Company, nor the Agent are trained to provide the Seller or any prospective buyer with legal or tax advice, or with technical advice regarding the physical condition of the Property. If the Seller desires advice regarding: (i) past or present compliance with zoning and building code requirements; (ii) legal or tax matters; (iii) the physical condition of the Property; (iv) this Commission Agreement; or (v) any transaction for the acquisition of the Property, the Agent and the Company STRONGLY RECOMMEND THAT THE SELLER OBTAIN SUCH INDEPENDENT ADVICE. IF THE SELLER FAILS TO DO SO, THE SELLER IS ACTING CONTRARY TO THE ADVICE OF THE COMPANY.

7. DISPUTE RESOLUTION. The parties agree that any dispute, arising prior to or after a closing related to this Commission Agreement, shall first be submitted to mediation through a mediation provider mutually agreed upon by the parties. If the parties cannot agree upon a mediation provider, the dispute shall be submitted to the American Arbitration Association. Each party agrees to bear its own costs of mediation. If mediation fails, the other procedures and remedies available under this Agreement shall apply.

8. ATTORNEY FEES. Except as provided in Section 7, in any action or proceeding arising out of this Commission Agreement involving the Seller and/or the Company, the prevailing party shall be entitled to reasonable attorney fees and costs.

9. SELLER AUTHORIZATIONS. The Company is authorized to disclose after closing the final terms and sales price of the Property to the following Multiple Listing Service: Sale will not be disclosed.

10. ATTACHMENT. There **[ ] ARE [X] ARE NOT** additional terms to this Commission Agreement. If "yes", see Addendum ______ incorporated into this Commission Agreement by this reference.

11. EQUAL HOUSING OPPORTUNITY. Seller and the Company agree to comply with Federal, State, and local fair housing laws.

12. ELECTRONIC TRANSMISSION & COUNTERPARTS. Signatures on this Commission Agreement, whether executed physically or by use of electronic signatures, shall be deemed original signatures and shall have the same legal effect as original signatures.

13. ENTIRE AGREEMENT. This Commission Agreement, including the Seller's Property Condition Disclosure form, contain the entire agreement between the parties relating to the subject matter of this Commission Agreement. This Commission Agreement may not be modified or amended except in writing signed by the parties hereto.

THE UNDERSIGNED do hereby agree to the terms of this Commission Agreement as of the date first above written.

The Company:

____
(Seller's Signature) (Date)

By:____
(Signature of Authorized Buyer's Agent or Broker) (Date)

____
(Seller's Signature) (Date)

Approved as to form 8/28/2024
Brandon Hill

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Item:
Fiscal Impact: ______________________
Funding Source:______________________
Account #: ______________________

Budget Opening Required: ☐

ISSUE:

This resolution would authorize the Agency to enter into a Hotel Management Agreement with Western States Lodging and Management, LC ("WSLM").

SYNOPSIS:

This resolution would retain WSLM as the operator pending the sale of the Embassy Suites Hotel.

BACKGROUND:

Prior to the entry into an Asset Management Agreement and Purchase Option with West Valley Hotel Holdings, LLC, the RDA had retained WSLM as the operator of the Embassy Suites Hotel. WVHH also retained WSLM as the operator. After the RDA and WVHH agreed to terminate the Asset Management Agreement and Purchase Option, the RDA reassumed control of the operation of the hotel. WSLM is willing to stay on as the operator until the sale of the hotel is finalized. The RDA's experience with WSLM has been positive and retaining WSLM as the operator will allow continuity in operations until the sale has closed.

RECOMMENDATION:

The WVC Economic Development Department recommends approval.

SUBMITTED BY:

Jonathan Springmeyer, Economic Development Director/RDA Director

REDEVELOPMENT AGENCY OF WEST VALLEY CITY, UTAH

RESOLUTION NO. _____________

A RESOLUTION AUTHORIZING THE AGENCY TO EXECUTE A HOTEL MANAGEMENT AGREEMENT BETWEEN THE AGENCY AND WESTERN STATES LODGING AND MANAGEMENT II, LC.

WHEREAS, the Agency owns a hotel located at 3524 Market Street and wishes to engage a manager to operate the hotel on behalf of the Agency; and

WHEREAS, Western States Lodging and Management II, LC ("Manager") is willing to provide said services to the Agency; and

WHEREAS, a Hotel Management Agreement (the "Agreement") has been prepared by and between the Agency and Manager setting forth the terms on which the Manager shall provide said services;

WHEREAS, the Board of Directors of the Redevelopment Agency of West Valley City does hereby determine that it is in the best interests of the health, safety, and welfare of the citizens of West Valley City to execute the Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Redevelopment Agency of West Valley City that the Agreement is hereby approved, that the chair and chief executive officer are authorized to execute said Agreement, and that the Agency is authorized to accept, execute, and record any documents needed to accomplish the purposes of said Agreement, subject to final approval of the form of said documents by the City Attorney's Office.

PASSED, APPROVED and **MADE EFFECTIVE** this _________________day of _______ _________________________, 2024.

REDEVELOPMENT AGENCY OF WEST VALLEY CITY

____
CHAIR

ATTEST:

____
SECRETARY

HOTEL MANAGEMENT AGREEMENT

THIS AGREEMENT is made as of the 1st day of September, 2024, between THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY, a political subdivision of the State of Utah, WEST VALLEY CITY, a municipal corporation of the state of Utah ("Owner"), both with a mailing address of 3600 S Constitution Blvd., West valley City, Utah 84119 (hereinafter called "Owner"), and Western States Lodging and Management II, LC (hereinafter called "Operator").

For and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the parties to be derived here from, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

ARTICLE I

Retention of Operator and Management Responsibility.

1.1 APPOINTMENT OF OPERATOR. Owner hereby retains the services of Operator and Operator hereby accepts such engagement on the terms and conditions hereinafter provided for the operation and management of the hotel known as the Embassy Suites by Hilton (hereinafter referred to as the "Hotel"), located at 3524 S Market Street, West Valley City, UT 84419.

1.2 OPERATION OF HOTEL/REQUIRED STANDARDS. Operator shall use its best efforts to operate and manage the Hotel (i) in accordance with the standards set forth by Hilton Hotels, (ii) in compliance with all applicable laws and regulations, (iii) in accordance with the terms and conditions and consistent with the standards of any franchise or license agreement to which the Hotel is or may become subject, and (iv) in accordance with standards for comparable first-class facilities in the area, subject to the Budgets (defined below), authority limits set forth in this Agreement and other standards and directives from Owner.

ARTICLE II

Services to be Performed by Operator.

2.1 EXPENSE OF OWNER. All obligations or expenses incurred by Operator on behalf of Owner under this Agreement and pursuant to an approved Budget shall be at the expense of Owner, except as otherwise specifically provided in this Agreement; provided, however, Owner shall not be obligated to reimburse Operator for the following expenses:

(a) Cost of wages, payroll taxes, insurance, worker's compensation insurance and other benefits of Operator's personnel, except those employees who work directly on site at the Hotel, or exclusively for the benefit of the Hotel or Owner;

(b) Costs of forms, papers, ledgers and other supplies and equipment used by Operator, except those used directly for the Hotel's benefit;

(c) Costs attributable to losses arising from gross negligence, fraud or intentional misconduct on the part of Operator, Operator's associates, or Operator's employees;

(d) Costs of Operator's principal and branch offices; and

(e) Overhead and general expenses of Operator of any kind, except for reasonable, actual travel expenses incurred by Operator for the benefit of the Hotel or Owner. Said travel expenses shall be documented to the Owner.

In addition to the management fee referred to in Section 3.1, the Operator will pass through certain costs for accounts payable, payroll processing, accounting services, revenue management services, financial reporting and shared corporate employees as approved in the property budget. These costs are usually assumed at the property level. Operator passes these expenses along to Owner according to established practices in Operator's other facilities.

All reimbursable payments made by Operator hereunder shall be reimbursed from funds deposited in accounts established pursuant to Section 3.3 hereof. Operator shall not be obligated to make any advance to or for the account of Owner or to pay any sums, except out of funds held in an account maintained under Section 3.3, nor shall Operator be obligated to incur any liability or obligations for the account of Owner without assurance that the necessary funds for the discharge thereof will be provided.

2.2 EMPLOYMENT OF PERSONNEL. On behalf of Owner, Operator shall investigate, hire, train, pay, supervise, and discharge the personnel necessary to properly and adequately maintain, manage and operate the Hotel. Such personnel shall in every instance be deemed agents or employees of Operator and not Owner. Owner shall not be responsible for supervision of Operator's employees. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture between Owner and Operator, it being the intention of the parties that the only relationship hereunder is that of agent for Owner. Operator shall be liable for actions attributable to acts by Operator, Operator's associates, agents of Operator, or Operator's employees constituting gross negligence, malfeasance or fraud, and shall indemnify and hold harmless Owner (and each member, manager, partner, officer, director, shareholder, agent or employee thereof) from any loss, damage, liability, cost or expense (including reasonable attorney's fees) arising from same. The provisions of this paragraph notwithstanding, Owner agrees to pay Operator or its designated subsidiary a reimbursement of all direct payroll expense, payroll tax expense, worker's compensation insurance cost and all other expenses associated with employee benefits customary and proper in conjunction with compensation of personnel on the designated payroll disbursement dates as set forth by the Operator. Said funds shall be disbursed in the same manner and provided for and in the same fashion as outlined in Sections 2.7 and 3.3 of this Agreement.

2.3 SERVICE CONTRACTS. On behalf of Owner, Operator shall make contracts for water, electricity, gas, telephone, vermin extermination, trash removal, elevator, food and other services deemed by Operator or Owner to be necessary or advisable for the operation of the Hotel. With respect to any such contract, Operator shall use best efforts to secure the best price and terms through a bidding process. Operator shall also place orders pursuant to the Budget applicable at that time pursuant to Section 2.8(g), in Owner's name or in Operator's name for such equipment, tools, appliances, materials and supplies as are reasonable and necessary to properly maintain the Hotel (however, any items which can be depreciated shall be in Owner's name). Operator shall keep all service contracts in a single book or file which shall be made available to Owner upon request or at the date of termination.

2.4 MAINTENANCE AND REPAIR OF PROPERTY. Operator shall use its best efforts to maintain the buildings, appurtenances and grounds of the Hotel in accordance with standards of Owner and franchisor, including, without limitation, interior and exterior cleaning, painting, decorating, plumbing, carpentry, preventative H.V.A.C. maintenance and such other normal maintenance and repair work as may be necessary and desirable. Operator shall also do or cause to be done all such acts or things in or about the Hotel as shall be reasonable, necessary or desirable to comply with any and all orders affecting the Hotel placed thereon by any governmental authority having jurisdiction over the Hotel or by any Board of Fire Underwriters or similar body. Except in cases of emergency, Operator shall obtain Owner approval for all repairs and capital improvements not in the Budget in excess of $10,000. Owner shall have the right to designate one or more service providers for maintenance and/or repair work at the Hotel.

2.5 INSURANCE. Operator shall place and maintain all forms of insurance required by law, any lender, any applicable franchise or license agreement, or otherwise needed to adequately protect Owner and Operator, including (but not limited to) public liability insurance, fire and extended coverage insurance for all property comprising the Hotel including personal property, boiler insurance, and burglary and theft insurance. All insurance coverage shall be placed with such companies, in such amounts, and with such beneficial interest appearing therein as shall be reasonably acceptable to Owner. Operator shall provide Owner with written evidence that all insurance coverage is in force, and shall provide Owner with copies of all insurance policies. Each policy shall bear a legend that it may not be cancelled without ten (10) days prior written notice to the Operator and to Owner. Operator shall promptly investigate and make a written report to Owner and the insurance company as to all accidents, claims for damages relating to the ownership, operation and maintenance of the Hotel, or any damage or destruction to the Hotel. Said report shall be submitted to Owner within forty-eight (48) hours of occurrence. Further, Operator shall investigate the estimated cost of repair thereof and shall prepare any and all reports required by any insurance company in connection therewith. All such reports shall be timely filed with the insurance company as required under the terms of the insurance policy after reasonable approval by Owner. Owner shall have the right to designate an insurance broker/provider to source the insurance obtained pursuant to this Section 2.5. All costs of above recited insurance shall be an expense of the Owner, the cost of which shall be disbursed in the same manner and fashion as outlined in section 2.7 and 3.3 of this Agreement. Owner shall be the named insured and casualty losses shall be payable to Owner and/or its designees.

2.6 COLLECTION OF MONIES. Operator shall use its best efforts to collect all rent and other charges due from guests, from lessees of facilities and from concessionaires in the Hotel. Owner authorizes Operator to request, demand, collect, receive and receipt for all such rent and other charges and may recommend to Owner the institution of legal proceedings in the name of Owner for the collection thereof and for the dispossession of guests and other persons from the Hotel. All legal efforts shall be directed by and paid for by Owner with counsel of Owner's choice. All monies collected by Operator shall be forthwith deposited in the separate bank accounts referred to in Section 3.3 hereof.

2.7 OPERATOR DISBURSEMENTS. Operator shall, from funds collected and deposited, cause to be disbursed in the following order of priority, regularly and punctually, prior to the expiration of any applicable grace periods: (i) the amounts reimbursable to Operator pursuant to this Agreement, and (ii) amounts otherwise due and payable as expenses of the Hotel authorized to be incurred under the terms of this Agreement including Operator's compensation. Any balance in excess of a reserved amount, as reasonably designated by Owner, remaining at the end of each calendar month during the term of this Agreement shall be disbursed or transferred, as generally or specifically directed from time to time by Owner, within twenty (20) days after the end of such calendar month. To the extent that items (i) and (ii) above exceed the funds collected and available for payment of such expenses, Owner shall, within twenty (20) days of receipt of written notice of such insufficiency from Operator, disburse to

Operator funds in an amount equal to the excess of items (i) and (ii) above over the funds collected and available for payment of such expenses.

2.8 RECORDS, REPORTING, AND BUDGETS.

(a) Records. Operator shall maintain at its primary business office separate hotel books and journals and orderly files including any information stored electronically, magnetically or on tapes or discs containing rent records, insurance policies, leases, correspondence, receipts, bills and vouchers, and all other documents and papers pertaining directly to the Hotel or the operation thereof. All such books and records and other information shall constitute the property of Owner and shall be open during reasonable business hours for random or periodic inspection and examination by Owner and/or its authorized representatives.

(b) Monthly Reports. Within twenty (20) days after the last day of each calendar month, Operator shall furnish Owner with a monthly financial report which shall include but not be limited to the following:

1. Monthly profit and loss statement which shall reflect the current month's budget and the corresponding year-to-date data.
2. Invoice and calculation of management fee.
3. Current month's occupancy statement.
4. Balance sheet.
5. Management report detailing any material variance from budget, status and amount of delinquencies, collections, and any other matters necessary to keep Owner fully apprised of operations, and maintenance of Hotel.
6. Monthly report noticing any material changes in service contracts.
7. Guest satisfaction surveys or summaries.
8. Employee satisfaction surveys or summaries.
9. Quality assurance reports.
10. Brand standing reports when available.

(c) Annual Report. Operator shall, within sixty (60) days after the end of each calendar year, deliver to Owner a statement of income and expenses of the Hotel and a balance sheet prepared in accordance with standard accounting principles and an exhibit reconciling all changes in Assets and Liabilities, and any other financial or operational information required by Owner.

(d) Returns Required by Law. At Owners expense, Operator shall execute and file punctually when due all forms, reports, and returns required by law relating to employment of Hotel personnel. Copies of all such forms, reports and returns shall be available at reasonable times for review by Owner.

(e) Compliance with Legal Requirements. Operator shall take such action as may be necessary to comply with any and all orders or requirements affecting the Hotel by any Federal, state, county or municipal authority having jurisdiction therefore, including the Board of Fire Underwriters or other similar bodies. Operator, however, shall not take any such action as long as Owner is contesting, or has affirmed its intention to contest and promptly institutes proceedings contesting, any such order or requirement, except that if failure to comply promptly with any such order or requirement would or might expose Operator to criminal liability, Owner shall cause the same to be complied with or to indemnify Operator from any liability therefore. Owner agrees to pay all reasonable expenses incurred by the Operator, including, without limitation, reasonable attorney's fees for counsel employed to represent Operator and/or Owner in any proceeding or suit involving any alleged violation by Operator or Owner, or both, of any orders or requirements of any Federal, state, county or municipal authority or the Board of Fire Underwriters or other similar bodies, but nothing herein contained shall require Operator to employ counsel to represent Owner in any such proceeding or suit. Except in the event of an emergency situation in which immediate measures are required, Owner shall have a right to prior written notice and approval of the legal counsel and the expenses to be incurred by Operator under this paragraph (e).

(f) Legal Notices. Operator shall furnish to Owner, within twenty-four (24) hours after receipt by Operator, any and all legal notices received by Operator affecting the Hotel including, without limitation, notices from taxing or other governmental authorities, notices of violations of law or municipal ordinances or orders issued by any governmental authority by or any Board of Fire Underwriters or similar body.

(g) Budget. During each calendar year, Operator shall operate and maintain the Hotel in accordance with a detailed line item operation and maintenance budget reviewed and approved by Owner for such calendar year (the "Budget"). Operator may incur expenditures reasonably determined by Operator to be necessary to preserve, protect or maintain the assets of Owner or safeguard persons connected with the Hotel from any damages occasioned by an act of God, war or other emergency event. Operator shall prepare and submit to Owner a proposed Budget for each calendar year on or before November 15 preceding such calendar year. The Budget must be accompanied by a list of the major assumptions including, but not limited to, total rooms available, total rooms occupied, occupancy rate and average daily rate. Operator shall inform Owner as soon as possible of any substantial increases in costs and expenses that were not foreseen or provided in the Budget. In the event that Owner shall not approve or disapprove the Budget within thirty (30) days of receipt, Owner shall be deemed to approve the Budget. Once approved (or deemed approved), the Budget shall not be modified without approval by Owner.

(h) Daily Reports. Operator shall generate a detailed daily report for each day's operations at the Hotel, including but not limited to, an itemization of the amount of each type of income and room occupancy. Operator shall make such reports available to Owner as requested by Owner.

(i) Meetings. Operator shall meet with the Owner's representatives not less often than quarterly or at such times as Owner shall request to review and discuss the Hotel's operations and financial statements of the previous quarter.

(j) Other Reports. Operator shall make available to Owner at Owner's request any and all other data relating to the accounting and internal control systems utilized at the Hotel.

ARTICLE III

Relationship of Operator and Owner

3.1 COMPENSATION OF OPERATOR. For the period commencing upon the ownership of the Hotel, and until the resignation or termination of Operator as Operator of the Hotel in accordance with the terms of this Agreement, Operator shall be paid a monthly management fee equal to four percent (4%) of all Gross Receipts relating to the Hotel. The term "Gross Receipts" for purposes of this Section 3.1 shall mean guest rents, restaurant, banquet or meeting related income, telephone, valet, vending, pay television, or other charges for use and occupancy of the Hotel, but shall not include (i) deposits, (ii) rents paid more than 7 days prior to the date such rents are due, until the month in which such amounts are due, (ii) insurance loss proceeds (including any proceeds for rent interruption insurance), (iv) any award or payment made by any governmental authority in connection with the exercise of any right of eminent domain or purchase in lieu thereof.

Additionally, unless Owner designates another party for management of the construction, purchasing and other efforts involved in brand required renovations, Operator shall be responsible for the such work and will receive a fee equal to eight percent (8%) of the cost of the renovation, subject to prior review and approval of such costs by Owner. Owner shall have the right to determine if and when Owner's principals, employees and representatives, and/or any other persons, shall be permitted as Hotel guests, and whether fully comped or at reduced rates.

3.2 USE AND MAINTENANCE OF PREMISES. Operator agrees that it will not permit the use of the Hotel for any purpose which might void any policy of insurance held by Owner or which might render any loss thereunder uncollectible, or which would be in violation of any government regulation or restriction. Operator shall use its best efforts to secure full compliance by guests and tenants with the terms and conditions of their respective agreements. Operator shall perform such other acts as are reasonable, necessary, and proper in the discharge of its duties under this Agreement. All costs of correcting or complying with and all fines payable in connection with all orders or violations affecting the Hotel by any governmental authority or Board of Fire Underwriters or other similar body shall be at the cost and expense of Owner unless caused by Operator's malfeasance, negligence or willful failure or refusal to perform its obligations hereunder, in which case and to that extent such costs shall be borne by Operator.

3.3 SEPARATION OF OWNER'S MONIES. Operator shall establish an operating account (the "Operating Account") as agent for Owner into which all receipts and deposits shall be deposited therein and all expenses of the Hotel paid therefrom. Funds may be withdrawn from such account, for the benefit of the Hotel, by presentation of checks signed by authorized employees of the Operator or authorized representatives of the Owner. All proceeds received by Operator from the hotel shall be deposited to the Operating Account on the same day received. The operating account shall maintain a working capital balance equivalent to approximately 30 days of monthly operating expenses unless other arrangements are agreed upon in writing by the owner and the operator.

3.4 TERM.

(a) Term. This Agreement shall commence as of the date of this Agreement and shall continue thereafter for a period of One (1) year, unless earlier terminated as provided in this Agreement. At expiration of the initial term, the Agreement shall automatically renew for successive one-year periods, unless either party gives written notice of termination to the other party not less than thirty (30) days prior to the end of the initial term or any extended term, as applicable. Any such extension period shall be subject to all termination rights set forth in this Agreement.

(b) Termination by Owner. Owner shall have the right, at any time after the Hotel has achieved room rate and occupancy levels identified or represented in the project pro forma as stabilized levels, to terminate this Agreement upon sixty (60) days written notice to Operator in the event that Operator fails to operate the Hotel at a competitive level of performance for the applicable market, as determined in Owner's reasonable discretion and supported by appropriate data (STR reports or other generally accepted comparative data) over a reasonable (3 months or more) period of time. In the event of a sale of the Hotel, this contract will no longer be in effect and will be terminated upon the close of the sale.

(c) Default. In the event Owner or Operator shall be in default under the terms of this Agreement, the aggrieved party shall have the right to give the defaulting party written notice setting forth the nature of the default. In the event the defaulting party does not cure the default within thirty (30) days after receipt of the written notice, the aggrieved party shall have the right to terminate this Agreement by written notice.

(d) Damage, Destruction or Condemnation. In the event of damage or destruction of the Hotel at any time so that the same shall become untenantable or in the event of taking by condemnation or similar proceeding of a substantial portion of the Hotel, Owner shall deliver written notice to Operator of its election whether or not to rebuild or repair the Hotel within thirty (30) days of the date of casualty or taking. If Owner timely serves written notice upon Operator of Owner's election not to rebuild or repair the Hotel, Operator may terminate this Agreement by delivery of written notice to Owner within five (5) days of expiration of said thirty (30) day period or Operator's receipt of Owner's notice of election not to rebuild, whichever first occurs.

(e) Operator Duties upon Termination. In the event of termination as provided for herein, Operator will immediately remit to Owner all deposits, gross collections and proceeds, and all records, contracts, leases, receipts for deposits and unpaid bills. Within thirty (30) days after termination, Operator shall deliver to the Owner a final report and shall remit all proceeds, if any, to the Owner and all records, contracts, leases, receipts for deposits, unpaid bills and other papers and documents which pertain to the Hotel and the statements of income, expenses and operations for the calendar year or portion thereof and final month or portion thereof ending on the date of termination. In case of any termination, Operator shall on the termination date promptly turn over to Owner all keys, accounts, names, and other real or personal property of Hotel or Owner and shall make a final accounting to Owner within ten (10) days after the date of termination.

3.5 SUBSIDIARIES AND AFFILIATES. Any contract or lease of any kind whatsoever relating to the Hotel between Operator and any Affiliate (as described in Section 3.9 (c)) shall be subject to the prior written approval of Owner, and approval may be withheld at Owner's sole discretion.

3.6 ASSIGNMENT BY OPERATOR. Operator may not assign, transfer or convey any of its rights or interest hereunder, nor shall it have the right to delegate any of the obligations or duties required to be kept or performed by it hereunder, without the prior written consent of Owner.

3.7 ASSIGNMENT BY OWNER. Upon thirty (30) days written notification, Owner may assign its rights and obligations hereunder to any successor in title to the Hotel and upon such assignment shall be relieved of all liability and obligations accruing after the effective date of such assignment. Operator shall have the right, by written notice to Owner, to accept or reject any such assignment of this Agreement within ten days after receiving notice thereof. Operator's failure to timely object to any assignment shall be deemed approval thereof. Should Operator reject the assignment, the Agreement shall be terminated on the effective date of the assignment.

3.8 NOTICES. All notices, demands, consents, approvals and requests given by either party to the other hereunder shall be in writing and shall be sent by first class mail, postage prepaid, to the parties at the following address:

If to Owner: THE REDEVELOMPENT AGENCY OF WEST VALLEY CITY,
Attn: ________________ Chief Executive Officer
3600 S Constitution Blvd.
West Valley City, UT 84119

If to Operator: Western States Lodging &
Management II, LLC
Attn: Paul Fairholm
10897 S Riverfront Parkway
Suite 200
South Jordan, UT 84095

Any party may at any time change its respective address by sending written notice to the other party of the change in manner hereinabove prescribed.

3.9 Miscellaneous.

(a) The unenforceability or invalidity as determined by a court of competent jurisdiction of any provision or provisions of this Agreement shall not render unenforceable or invalid any other provision or provisions hereof. It is agreed that the laws of the State of Utah shall apply and whenever practical any cases shall be brought in that state.

(b) No failure to exercise and no delay in exercising on the part of Owner or Operator, any right, power or privilege hereunder or under applicable law shall preclude other or further exercise thereof of the exercise of any other right, power or privilege of the parties. The rights and remedies herein provided are cumulative and not exclusive of any other rights or remedies provided by law. No amendment, modification or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by the party against whom enforcement is sought.

(c) "Affiliate" shall mean any person or entity (i) in which any member, manager, partner, officer, employee, director or stockholder of Operator, or spouse of any such person holds a ten percent (10%) or greater interest (whether membership, partnership or corporate stock), (ii) which controls, directly or indirectly, the activities or management of Operator, or (iii) which constitutes an "insider" of Operator as the term "insider" is defined in I I U.S.C. 103 (30).

(d) Owner reserves the right to perform any activity or function contracted to be performed by Operator hereunder should Operator fail to timely perform such activities.

(e) Owner's consents or approvals shall be in writing and may be given by a representative of Owner from time to time designated in writing by Owner.

(f) Operator shall devote such of its time, attention and business capacity to the management and operation of the Hotel as may be necessary in order for Operator to fully comply with the terms of this Agreement.

(g) Neither this Agreement nor any part hereof nor any service, relationship, or other matter alluded to herein shall inure to the benefit of any third party, to any trustee in bankruptcy, to any assignee for the benefit of creditors, to any receiver by reason of insolvency, to any insolvent estate of either party, or to the creditors or claimants of such an estate.

(h) This Agreement may be executed in any number of counterparts (including electronic signatures), each of which shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement binding on the parties.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have caused this Hotel Management Agreement to be duly executed.

OWNER: THE REDEVELOPMENT AGENCY OF WEST VALLEY CITY

By______________________

____

Its: Chief Executive Officer

Approved as to form 8/28/2024

Brandon Hill

OPERATOR:

Western States Lodging & Management II, LC
a Utah limited liability company

By: Paul C Fairholm

Paul Fairholm
Its: Manager