

MORGAN CITY

RDA MEETING

08-13-19

(6:00 p.m.)

**NOTICE OF MEETING TO BE HELD IN PUBLIC AND CLOSED SESSION BY THE
MORGAN CITY REDEVELOPMENT AGENCY**

Pursuant to Utah Code, Title 52, Chapter 4, notice is hereby given to members of the Morgan City Redevelopment Agency and to the general public that the Morgan City Redevelopment Agency will hold a meeting in open public session on **Tuesday, August 13, 2019, at 6:00 p.m.** in the Council Room of the City Office located at 90 West Young Street, Morgan, Utah.

AGENDA

1. Meeting called to order.
2. Approval of Morgan City Redevelopment Agency Minutes – June 25, 2019
3. **ITEMS FOR DISCUSSION/APPROVAL**

- A. Resolution R19-29 – Economic Development Incentive Agreement

NOTE: The Board may vote to go into closed session pursuant to Utah Code 52-4-5.

NOTE: The times listed for each item on the agenda may be accelerated if time permits.

6. A D J O U R N M E N T

In compliance with the American with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Denise Woods, Agency Secretary, at (801) 829-3461 at least 24 hours before the meeting.

Morgan City invites any person, church or other civic organization to contact the Mayor, to be scheduled for presenting a thought, reading, opening remarks, or invocation in the opening ceremony portion of the public meeting. Written invitations will be made by the Mayor to those who wish to participate.

This meeting may be held electronically to allow a member to participate.

Posted this 6th day of August, 2019

/s/ Denise Woods, Agency Secretary

**MINUTES OF MORGAN CITY
REDEVELOPMENT AGENCY
MEETING**

JUNE 25, 2019; 5:45 P.M.

**CHAIR AND BOARDMEMBERS
PRESENT:**

**Chair Ray W. Little, Tony London, Eric Turner, Jeff
Wardell, and Jeffery Richins**

STAFF PRESENT:

**Ty Bailey, Executive Director; Gary Crane, City
Attorney, Denise Woods**

EXCUSED:

Mike Kendell

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah.

This meeting was called to order by Chair, Ray W. Little.

MINUTES

MOTION: Boardmember Richins moved to approve the minutes of the Morgan City Redevelopment Agency Meeting on June 11, 2019.

SECOND: Boardmember Turner

The vote was unanimous to approve the minutes of the Morgan City Redevelopment Agency on June 11, 2019 as written; Boardmember Kendell was absent

ITEMS FOR DISCUSSION/APPROVAL

PUBLIC HEARINGS

A. RESOLUTION R19-20 – ADOPTION OF THE 2019 – 2020 FISCAL YEAR BUDGET

MOTION: Boardmember London moved to open the public hearing.

SECOND: Boardmember Turner

Discussion on the Motion: None

Vote was 4 ayes; Motion passed unanimously to open the public hearing to discuss the 2019 – 2020 Fiscal Year Budget; Boardmember Kendell was absent.

Public Comments: None.

MOTION: Boardmember Richins moved to close the public hearing.

SECOND: Boardmember London

Discussion on the Motion: None

Vote was 4 ayes; Motion passed unanimously to close the public hearing; Boardmember Kendell was absent.

RESOLUTION R19-20 – ADOPTION OF THE 2019 – 2020 FISCAL YEAR BUDGET

Ty Bailey, Executive Director, discussed the current budget; based on projects. He stated the difference would be in the projected revenue.

Mayor asked what happened to the money not used in the current year budget.

Ty explained any money left at the end of the budget year would stay in the fund. In the 2019 – 2020 Fiscal Year Budget the amount listed in the line item "Loan/Grant" was the amount obligated at the end of last year's budget.

MOTION: Boardmember London moved to adopt Resolution R19-20 – A resolution adopting the 2019 – 2020 Fiscal Year Budget for the Redevelopment Agency of Morgan City, Utah.

SECOND: Boardmember Turner

Discussion on the Motion: None

ROLL CALL VOTE: Jeffery Richins – aye
Mike Kendell – absent
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye

Vote was 4 ayes; Motion passed unanimously to adopt Resolution R19-20 – A resolution adopting the 2019 – 2020 Fiscal Year Budget for the Redevelopment Agency of Morgan City, Utah; Boardmember Kendell was absent.

OTHER ITEMS DISCUSSED

Ty stated he had attended the County Council meeting to discuss the TRT tax option should the Hotel come to Morgan. The City's TRT tax was 1% and the County was at 4.25%.

Ty explained the monthly Development Review Meeting beginning at 8:00 a.m. the Wednesday before Planning Commission. A representative from the power, water, sewer, public works, and roads departments, attend the meeting along with the City Engineer and City Planner. Each developer on the agenda for the meeting is given 30 minutes to discuss their development. He stated this meeting would explain the next steps necessary in the development process to each developer.

Mayor mentioned the representatives from the Hotel had scheduled a 30-minute block at the Development Review meeting.

This meeting was adjourned at 6:01 p.m.

Denise Woods, Agency Secretary

These minutes were approved at the August 13, 2019 meeting.

RESOLUTION R19-29

A RESOLUTION OF THE REDEVELOPMENT AGENCY OF MORGAN CITY, ADOPTING AND APPROVING AN ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT BETWEEN MORGAN CITY, THE MORGAN CITY REDEVELOPMENT AGENCY AND COBBLESTONE HOTEL DEVELOPMENT, LLC.

WHEREAS, Morgan City (the City) and the Redevelopment Agency of Morgan City (the RDA) desire to enter into this agreement entitled Economic Development Incentive Agreement for the purpose of providing incentive to Cobblestone Hotel Development (CHD) to construct, own and operate a hotel in Morgan City; and

WHEREAS, CHD has committed to bring its brand, Cobblestone Hotel Suites, a lodging facility, to Morgan City, including all buildings, facilities, equipment and the site, necessary for the construction and operation of the hotel, at a total development cost of approximately Six and One Half Million Dollars (\$6,500,000.00); and

WHEREAS, the City and the RDA, are willing, as an inducement to CHD and its successors and assigns, to provide certain incentives up to One Million, One Hundred and Ninety Thousand Dollars (\$1,190,000.00) from tax increment funding and to assist CHD in obtaining up to Seventy Five Thousand Dollars (\$75,000.00) in funding under the Enterprise Zone Act; and

WHEREAS, the parties mutually agree to the terms and conditions contained in the attached agreement and agree that there is fair and adequate consideration underlying the agreement; and

WHEREAS, the City and the RDA agree that it is in the best interest of Morgan City and its citizens to enter into this agreement.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF THE REDEVELOPMENT AGENCY OF MORGAN CITY:

1. That the agreement entitled Economic Development Incentive Agreement, between Morgan City, the Morgan City Redevelopment Agency and Cobblestone Hotel Development, LLC, which is attached hereto and incorporated herein by this reference, be adopted and approved.
2. That the Chair is authorized to execute the Economic Development Incentive Agreement.

PASSED AND ADOPTED by the Board of the Redevelopment Agency of Morgan City, Utah, this 13th day of August, 2019.

RAY W. LITTLE, Mayor

ATTEST:

DENISE WOODS, Agency Secretary

APPROVED AS TO FORM:

Gary Crane, City Attorney

ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT

This ECONOMIC DEVELOPMENT INCENTIVE AGREEMENT (this “**Agreement**”) is made and entered into as of _____, 2019, (the “**Effective Date**”) by and between the MORGAN CITY CORPORATION REDEVELOPMENT AGENCY, a Utah municipal corporation (“**RDA**”), the CITY OF MORGAN, a Utah municipal corporation (“**City**”) and COBBLESTONE HOTEL DEVELOPMENT, LLC, a Wisconsin limited liability company, or its assigns (“**CHD**”).

RECITALS

WHEREAS, CHD has entered into a Purchase and Sale Agreement (“**PSA**”) for the purchase of that certain property described as part of Parcel 3, Happy Days II, LTD, which is located in the City of Morgan, Utah (the “**Site**”);

WHEREAS, the Site is located in an area designated as an “**Enterprise Zone**” pursuant to the Utah Enterprise Zone Act;

WHEREAS, CHD has determined that it is feasible to redevelop the Site into a Cobblestone Hotel & Suites® branded lodging facility (“**Hotel**”), including all buildings, facilities, equipment and site improvements necessary to the operation of the Hotel (“**Improvements**”) at total development cost of approximately \$6.5 Million (the “**Project**”), but that the overall feasibility of the Project requires state and local incentives; and

WHEREAS, as an inducement to cause CHD to make the required investment in the Project, which is expected to result in both the desired job creation and the redevelopment of the Site, the City and RDA have approved an incentive consisting of (i) up to \$1.19 Million in local incentives, payable as provided in this Agreement, and (ii) in conjunction with Morgan County, Utah, taking whatever action is necessary, by approval or otherwise, to assist CHD in the receipt of a tax exemption in the amount of \$75,000.00 pursuant to the Utah Enterprise Zone Act (“**Incentive**”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises and obligations of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

ARTICLE 1 - DEFINITIONS

1. “Certificate of Occupancy” means documents issued by the City in accordance with the ordinances of the City that evidence CHD’s Substantial Completion of the Project.
2. “Commencement Date” means no later than **December 31, 2019**.
3. “Construction Plans” means the plans, drawings, specifications and related documents for the construction of the Improvements, together with all amendments and modifications thereto, submitted by or on behalf of CHD and approved by the City.
4. “Development Costs” means all costs incurred by CHD in connection with the Project.
5. “Payment Date” has the meaning set forth in Article 3, Section 1.b.

6. “Project” means the redevelopment of the Site into a Cobblestone Hotel & Suites® branded lodging facility (“Hotel”), including all buildings, facilities, equipment and site improvements necessary to the operation of the Hotel (“Improvements”) at total development cost of approximately \$6.5 Million. The architecture design, specifications, and furnishings, are attached hereto as Exhibit “A.” Generally, it shall consist of 31,451 square feet, 3 story, 56-unit Cobblestone Hotel & Suites.
7. “Project Area” – The Project Area is located within the boundaries of Morgan City in Morgan County. The exact boundaries of the Project Area are specifically and legally described in the Plan.
8. “Project Area Plan and Budget” (the “Plan”) – This Agreement is subject to the provisions of the Plan, as adopted on _____, by the RDA and Redevelopment Board in accordance with State Law.
9. “Reimbursement” has the meaning set forth in Article 3, Section 1.a.
10. “Site” – The site shall consist of a parcel within the Project Area of approximately 77,961 square feet. The Site is shown in detail on the Site Map, attached hereto as Exhibit “B,” and more particularly described in the legal description, attached hereto as Exhibit “C.”
11. “Substantial Completion” means Certificate of Occupancy for the Property has been issued by the City and CHD may open the Hotel to the public.
12. “Substantial Completion Date” means the earlier of the date the Project is Substantially Complete, which shall not be later than **December 31, 2020**.
13. “Tax Increment” means the tax increment received and retained by the City from the ad valorem taxes collected within the RDA Project Area, as defined by State Law (Limited Purpose Local Government Entities – Community Development and Renewal Agencies Act, 17C *et seq*, Utah Code Annotated as amended (the “Act”).
14. “Tax Increment Grants” means tax increment grants as provided in Article 3, Section 1.b.
15. “Termination Date” means the earlier of (i) January 15, 2030, or (ii) the date the Tax Increment Grants have been paid as provided herein, to CHD. The Agreement may automatically terminate if a building permit is not issued by _____ or if substantial completion does not occur within _____.

ARTICLE 2 - DEVELOPMENT

1. Construction.

If CHD proceeds with the Project, on or before the Commencement Date, CHD shall begin construction of the Hotel and Improvements in accordance with the Construction Plans, which may be amended from time to time by CHD. CHD shall have sole responsibility for the selection and employment of all contractors, suppliers, agents, employees, consultants and professionals necessary to complete the Project, and for entering into contracts for the completion of the Project. CHD shall have the sole right to determine the means, methods and scheduling of construction (subject to compliance with the laws and ordinances of the City). The Hotel shall, however, be constructed substantially as identified in Exhibit “A.” The City shall not be a party to any such contracts and shall not be a third-party beneficiary of any such contracts.

- a. CHD shall construct the Hotel within a reasonable time after the issuance of a building permit by the City. A tentative Timeline is attached hereto as Exhibit “D.” This timeline is tentative only and may vary depending on the availability of materials and labor.
- b. CHD shall construct and operate the Project in conformity with all applicable laws; provided, however, that nothing herein shall limit the right of CHD to properly challenge any such law or the applicability of such law.

Certificate of Occupancy. On or before the Substantial Completion Date, the City shall issue a Certificate of Occupancy. Issuance of the Certificate of Occupancy will not be unreasonably withheld or delayed. Issuance of the Certificate of Occupancy shall be conclusive evidence that CHD has satisfied all conditions precedent to receiving the designated Incentives pursuant to the terms of this Agreement. If the City shall fail to issue a Certificate of Occupancy, the City shall, within ten (10) days after written request from CHD, provide CHD with a written document stating in detail the reasonable conditions that CHD will need to satisfy in order to obtain the Certificate of Occupancy.

Excusable Delay. Notwithstanding paragraphs 1 and 2 above, any of the following shall constitute “Excusable Delay” for which the Substantial Completion Date shall be extended:

- a. strike, boycott, embargo, terrorism, armed rebellion, quarantine or other obstructive action by employees, labor organizations, discovery of archaeological or paleontological artifacts, act or neglect of a public utility, or order of government authority;
- b. fire, flood, earthquake, tornado, tidal wave, lightning, casualty loss, epidemic, or adverse weather; or
- c. delay in delivery of materials or equipment or a shortage of labor that results from unforeseeable circumstances beyond the control and without fault or negligence of CHD.

Upon the occurrence of an Excusable Delay, City, RDA and CHD shall execute an amendment to this Agreement granting an extension to the Substantial Completion Date so long as CHD notifies the CITY or RDA promptly on discovery of the Excusable Delay and substantiates the Excusable Delay as unavoidable.

ARTICLE 3 - INCENTIVES

1. In order to encourage CHD to develop the Project, the RDA and City agree to pay CHD the Incentive as follows:
 - a. The City hereby pledges and agrees to pay to CHD or its designee up to Two Hundred Thousand and No/100 Dollars (\$200,000.00) in order to reimburse CHD for Development Costs incurred by CHD in the construction of the Project (“**Reimbursement**”). The Reimbursement shall be payable to CHD within fifteen (15) days of the Substantial Completion Date and submission of a final accounting of Development Costs to the City by CHD.
 - b. Following the Substantial Completion Date, the City hereby pledges and agrees to pay to CHD the maximum amount of Nine Hundred Ninety Thousand and No/100 Dollars (\$990,000.00), payable annually in installments solely from the Tax Increment (“**Tax Increment Grants**”). Payments of Tax Increment Grants are expected to commence on January 15, 2022, and shall continue on each subsequent January 15 (the “**Payment Date**”) until the Termination Date. The amount of the Tax Increment Grant for each year shall be up to and aggregate of (i) Six Hundred Forty-Three Thousand Five Hundred and No/100 Dollars (\$643,500.00) from January 2022 through January 2026, and (ii) Three Hundred Forty-Six Thousand Five Hundred and No/100 Dollars (\$346,500.00) from January 2027 through January 2029. The annual Tax Increment Grants are conditioned upon CHD “operating” the Hotel as of the July 1 prior to the applicable Payment Date. For purposes of this Agreement,

“operating” shall mean that the Hotel is open for business and accepting guest reservations; provided, however that, the Hotel shall not be deemed non-operational in the event of closures, (i) caused by a force majeure event and not deemed to be permanent, or (ii) due to renovations, upgrades, repairs or maintenance so long as such closure does not exceed twelve (12) months.

- c. The City and RDA shall perform, and cause Morgan County, Utah, to perform, such acts as are reasonably necessary or appropriate to assist CHD in procuring, effectuating, claiming, reserving, and maintaining exemptions from taxation in an amount no less than Seventy-Five Thousand and No/100 Dollars (\$75,000.00) under the Utah Enterprise Zone Act including, without limitation, joining in the execution of all documentation and providing any necessary certificates required in connection with such exemptions. Nothing herein shall be interpreted as a guarantee by the RDA or the City, that such incentive will be granted.
- d. The RDA has no obligation to remit to CHD, the Tax Increment Grant unless and until the following conditions precedent are all satisfied: (i) BriMark Builders, LLC, shall be the Project’s General Contractor and the Project is brought to Substantial Completion; (ii) throughout the term of this Agreement, CHD will remain in material compliance with the Management Agreement by and between CHD and WHG Management, LLC, and the Franchise Agreement by and between CHD and Cobblestone Hotels, LLC; (iii) CHD has commenced and continues to commence, operations of the Hotel for each year in which the Tax Increment Grant is received; (iv) the RDA has received actual payment of the Tax Increment intended for CHD for that year under the approved Budget. The RDA is not obligated to pay to CHD in any one year, more than CHD’s Tax Increment Grant attributable to the immediately preceding tax year.
- e. During the term of this Agreement, CHD and any successors in interest agree to pay, prior to delinquency, all real property and other ad valorem taxes and assessments assessed against any portion of the Site or Improvements thereon or any other property, including personal property, located within the Site. CHD must remove, or must have removed, any levy or attachment made on the Project or any portion thereof, or must assure the satisfaction thereof within a reasonable time but in any event prior to a sale thereunder.
- f. If the provisions of Utah law which govern the payment of Tax Increment to the RDA are changed or amended so as to reduce or eliminate the amount paid to the RDA under the approved Budget, the RDA’s obligation to pay CHD annually CHD’s Tax Increment Grant, as applicable, will be proportionately reduced or eliminated. CHD specifically reserves and does not waive any right it may have to challenge the constitutionality of any law change(s) that would reduce or eliminate the payment of Tax Increment to the RDA at CHD’s sole cost. CHD acknowledges, understands and agrees that the RDA is under no obligation to challenge the validity, enforceability or constitutionality of a change(s) in law that reduces or eliminates the payment of Tax Increment to the RDA, or to otherwise indemnify or reimburse CHD for its actions to independently do so.
- g. If a court of competent jurisdiction declares that the RDA cannot receive Tax Increment, invalidates the Project Area, or takes any other action which eliminates or reduces the amount of Tax Increment paid to the RDA, the RDA’s obligation to annually pay CHD, CHD’s Tax Increment Grant in accordance with this Agreement will be proportionately reduced or eliminated.
- h. In the event a dispute arises as to the person or entity entitled to receipt of Tax Increment under this Agreement due to a claimed assignment or claimed successor in interest to the Tax Increment or otherwise, the RDA may withhold payment of Tax Increment Grant until the dispute is resolved either by agreement or by a court of competent jurisdiction. The RDA shall be entitled to deduct from its

payment of Tax Increment any costs or expenses, including reasonable attorney's fees, incurred by the RDA due to the dispute.

- i. To qualify to receive the Tax Increment Grant payments set forth herein, CHD shall fulfill all of the obligations in this Agreement. Failure to fulfill any obligation shall be considered a material breach and termination of the Tax Increment Grant payments.

ARTICLE 4 - EVENTS OF DEFAULT; REMEDIES

1. The term "Event of Default" shall mean, failure by either party to observe or perform any material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.
2. Whenever any Event of Default occurs, the non-defaulting party may take any one or more of the following actions after provision of thirty (30) days' written notice by the non-defaulting party to the defaulting party of the Event of Default , but only if the Event of Default has not been cured within said thirty (30) days or if the Event of Default cannot be cured within thirty (30) days, the defaulting party does not provide assurances to the non-defaulting party reasonably satisfactory to the non-defaulting party that the Event of Default will be cured as soon as reasonably possible:
 - a. Suspend its performance under the Agreement until the non-defaulting party receives assurances from the defaulting party, deemed adequate by the non-defaulting party, that the defaulting party will cure its default and continue its performance under the Agreement.
 - b. Take whatever action, including legal or administrative action, which may appear necessary or desirable to the non-defaulting party to collect any payments due under this Agreement or to enforce performance and observance of any obligations, agreement, or covenant of the defaulting party under this Agreement.
3. No remedy herein conferred upon or reserved to either party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
4. In the event any agreement contained in this Agreement is breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

ARTICLE 5 - MISCELLANEOUS

1. CHD represents and agrees for themselves and their successors and assigns that during the term of this Agreement CHD will not assign or transfer or attempt to assign or transfer all or any part of this Agreement, or any rights herein or obligations hereunder, without the prior written consent of the RDA, which consent shall not be unreasonably withheld. The assignment or delegation of this Agreement without the prior written consent of the RDA is a material breach of this Agreement and relieves the RDA of any obligation to CHD under this Agreement. As a condition of the RDA's approving an assignment of this Agreement by CHD the RDA may, among other things, require the proposed assignee to execute an acknowledgement of its acceptance to perform all duties and obligations of CHD under this Agreement.

2. In the absence of a specific written agreement by the City and RDA, no assignment or transfer of this Agreement, in whole or in part, or approval of this Agreement by the City and the RDA, relieves CHD from any obligation under this Agreement. All of the terms, covenants, and conditions of this Agreement are and will remain binding upon and inure to the benefit of CHD and their successors and assigns.
3. Notwithstanding anything in this Agreement to the contrary, any attempt by CHD or their successors in interest to transfer any of the real or personal property within the Site to a tax-exempt organization or otherwise to exempt any of the real or personal property within the Project Area from *ad valorem* property taxation without the prior written consent of the RDA constitutes a material breach of this Agreement and will entitle the RDA, in its sole discretion, to terminate this Agreement and cease further payments of CHD's Tax Increment Grant under this Agreement to CHD or their successors or assigns.
4. Neither party shall be considered in default under this Agreement if their performance is delayed by damage or destruction by fire or other casualty, condemnation, strike, lock-out, civil disorder, war, shortages or delays in delivery of equipment, materials or fuel, Acts of God or unusual weather conditions or other causes beyond such party's reasonable control, and the time for performance of obligations shall be extended by one day for every day of such delay.
5. All notices under this Agreement shall be in writing. Notices shall be deemed properly given if personally delivered or if sent by a nationally recognized "overnight" courier service such as UPS, to the addresses set forth below:

If to the City or RDA:

City of Morgan
Morgan City Corporation Redevelopment Agency
Attn: Ty Bailey, City Manager
90 West Young Street
PO Box 1085
Morgan, UT 84050

If to CHD:

Cobblestone Hotel Development, LLC
Attn: Brian Wogernese
980 American Drive
Neenah, WI 54956

Notices shall be deemed given on the date of delivery (if personally delivered) or (if delivered via "overnight" courier service) on the first business day after being given to the courier service with all charges prepaid.

6. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Utah, without regard to the conflicts of provisions of Utah law.
7. This Agreement constitutes the entire agreement of the parties hereto and supersedes all prior or contemporaneous verbal understandings between the parties concerning the Project. This Agreement may be amended only by a written document executed by both parties hereto.

8. In the event that any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent that the remainder can be given effect without the unenforceable provision.
9. The City hereby represents and warrants that the City has undertaken all steps and procedures required by City Ordinance and State Law to enter into this Agreement, including the due and proper adoption of a Resolution specifically authorizing the City to enter into this Agreement. The City has followed, and will continue to follow, all necessary procedures and will take all such further actions as may be necessary under City Ordinances and State Law to fulfill its obligations under this Agreement.
10. CHD represents and warrants that CHD has full power and authority to enter into this Agreement, and that the person executing this Agreement on behalf of CHD has been duly authorized to do so.
11. It is understood and agreed that this Agreement shall not create for either party any independent duties, liabilities, agreements, or rights to or with any third party, nor does this Agreement contemplate or intend that any benefits hereunder accrue to any third party.
12. All Exhibits to this Agreement are incorporated herein by this reference.
13. This Agreement is not intended and shall not be construed as to create a partnership, employment, joint venture or agency relationship between the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first set forth above.

CHD:

COBBLESTONE HOTEL DEVELOPMENT, LLC
a Wisconsin limited liability company

By: Granite Hospitality Group, LLC, a Wisconsin
limited liability company, Managing Member

By: _____

Name: Brian Wogernese

Title: Managing Member

Date: _____

STATE OF WISCONSIN)
 : ss.
COUNTY OF _____)

BEFORE ME, the undersigned authority, on this ____ day of _____, 20__, personally appeared _____, to me known to be the _____ of _____, who executed the foregoing Agreement, for and on behalf of said L.L.C., being duly authorized to do so.

WITNESS my hand and official seal hereto affixed the day and year in this certificate above written.

NOTARY PUBLIC

CITY:

CITY OF MORGAN

By: _____
Name: Ray W. Little
Title: Mayor

ATTEST:

Denise Woods, City Recorder

RDA:

MORGAN CITY CORPORATION REDEVELOPMENT AGENCY

By: _____
Name: Ray W. Little
Title: Chair

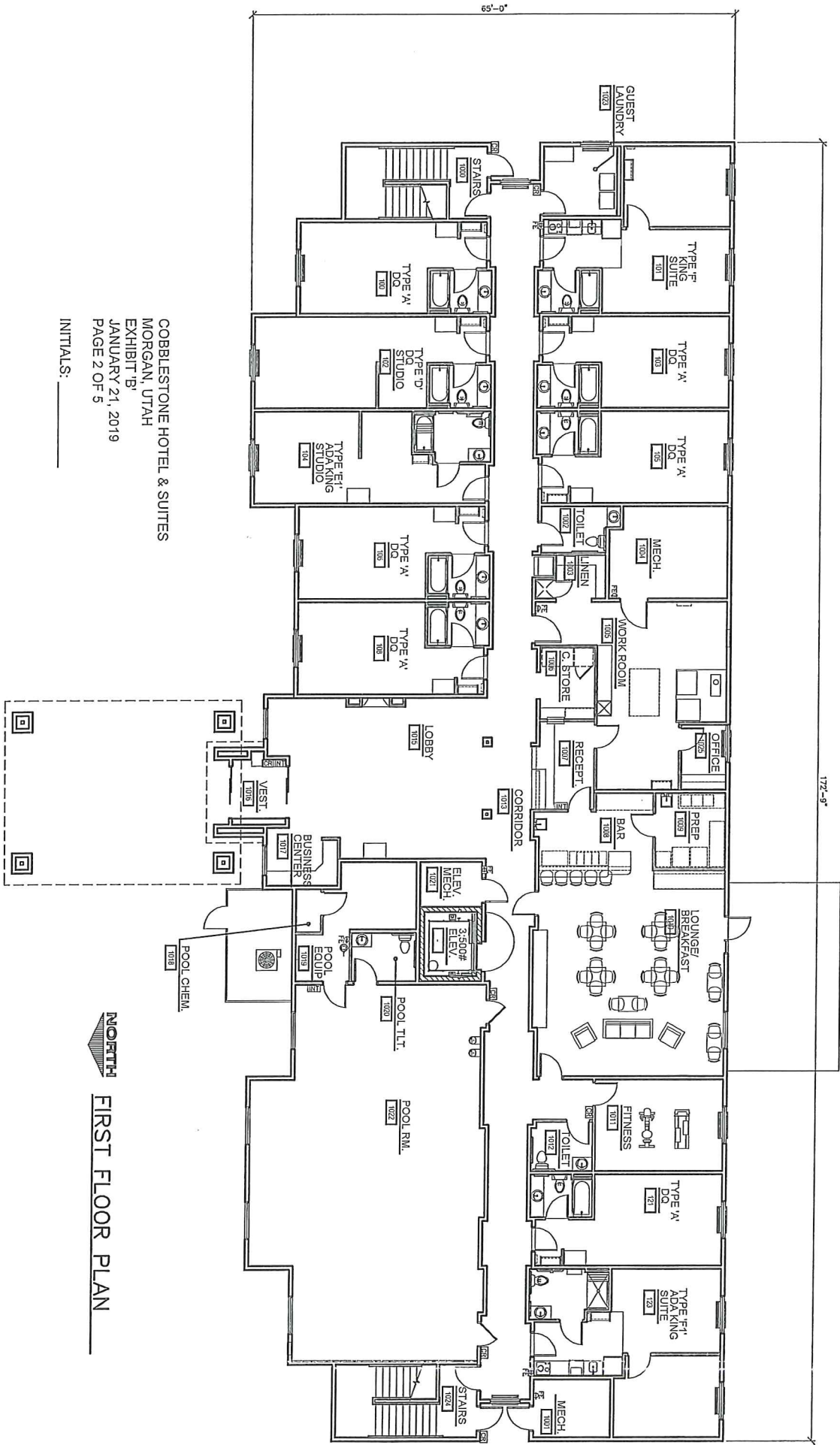
ATTEST:

Denise Woods, Agency Secretary

APPROVED AS TO FORM:

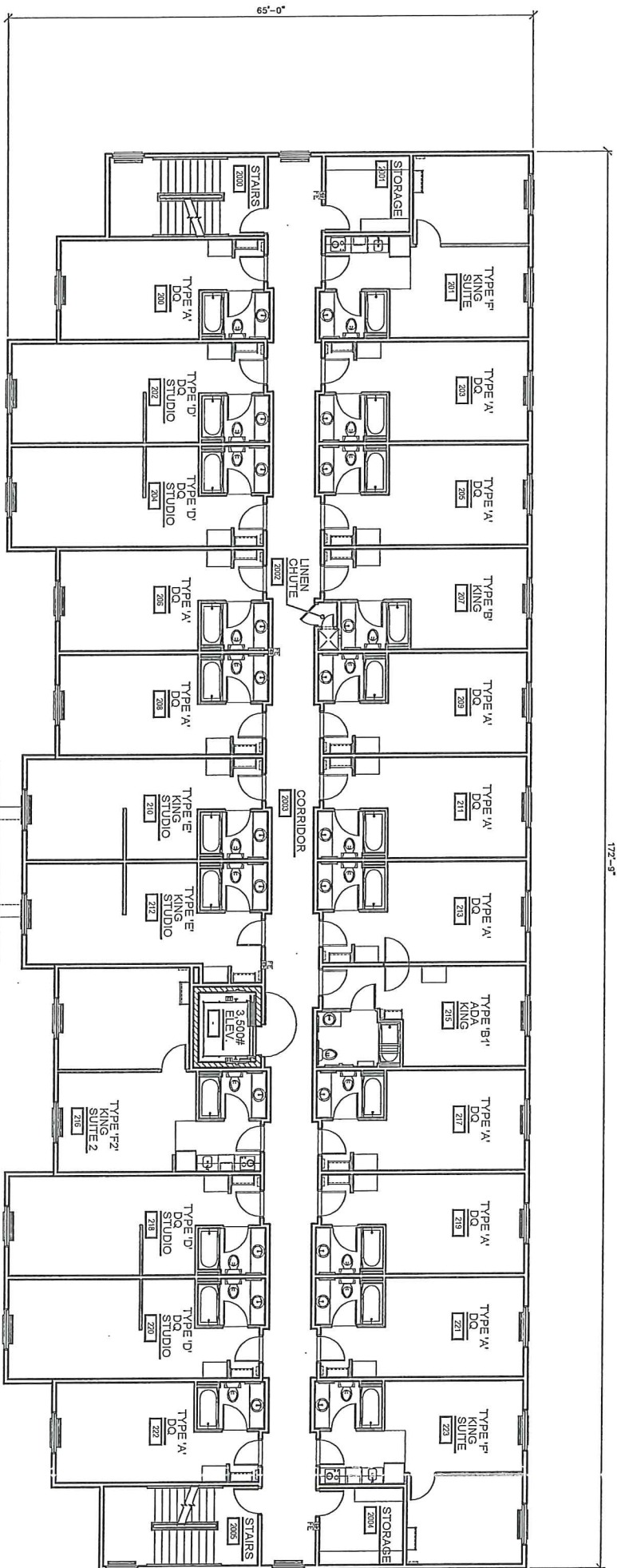
Gary R. Crane, City Attorney

EXHIBIT "A"



COBBLESTONE HOTEL & SUITES
MORGAN, UTAH
EXHIBIT 'B'
JANUARY 21, 2019
PAGE 2 OF 5
INITIALS: _____

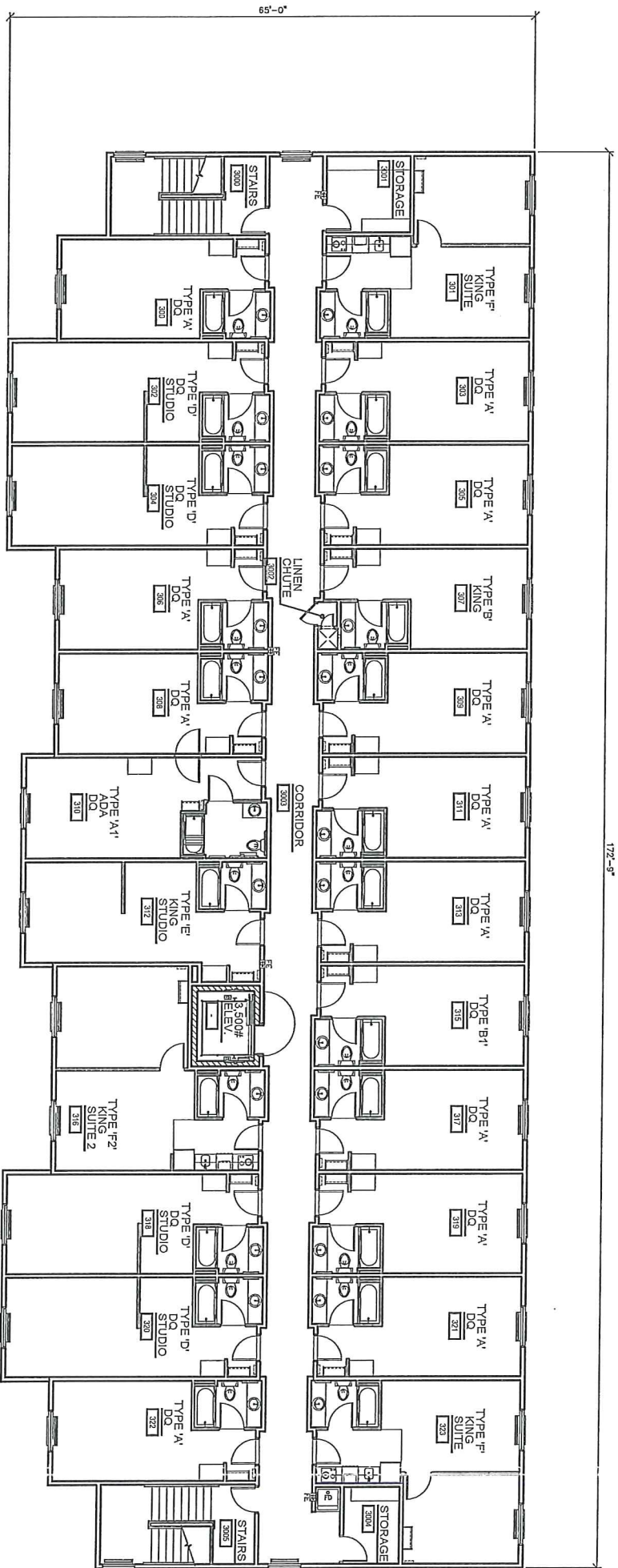
 NORTH
FIRST FLOOR PLAN



COBBLESTONE HOTEL & SUITES
MORGAN, UTAH
EXHIBIT 'B'
JANUARY 21, 2019
PAGE 3 OF 5
INITIALS: _____

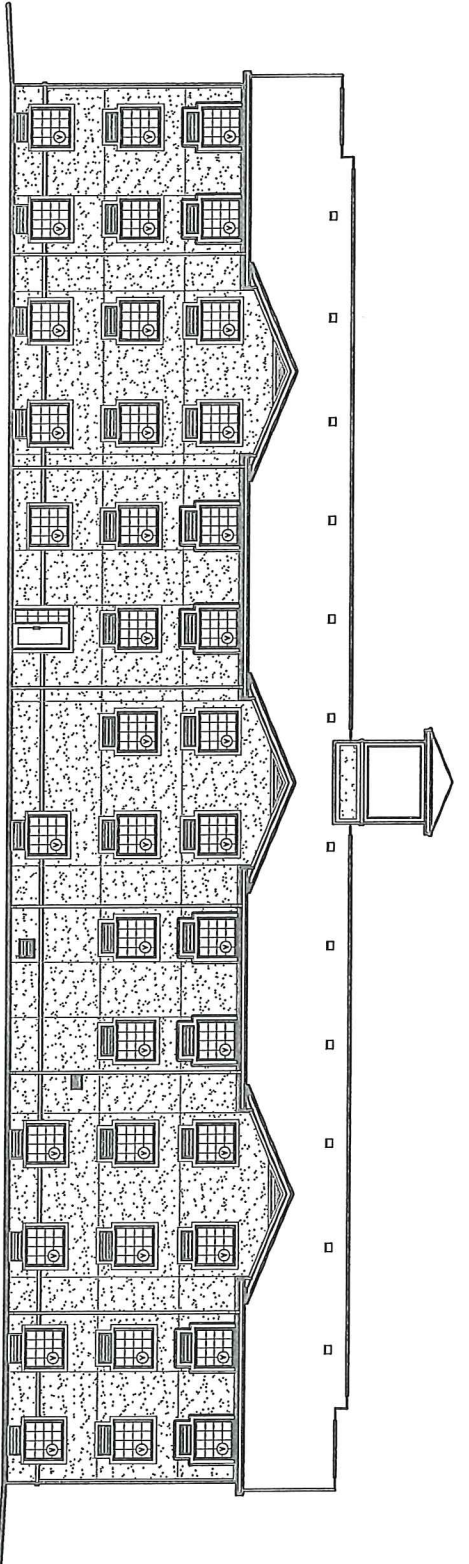


SECOND FLOOR PLAN

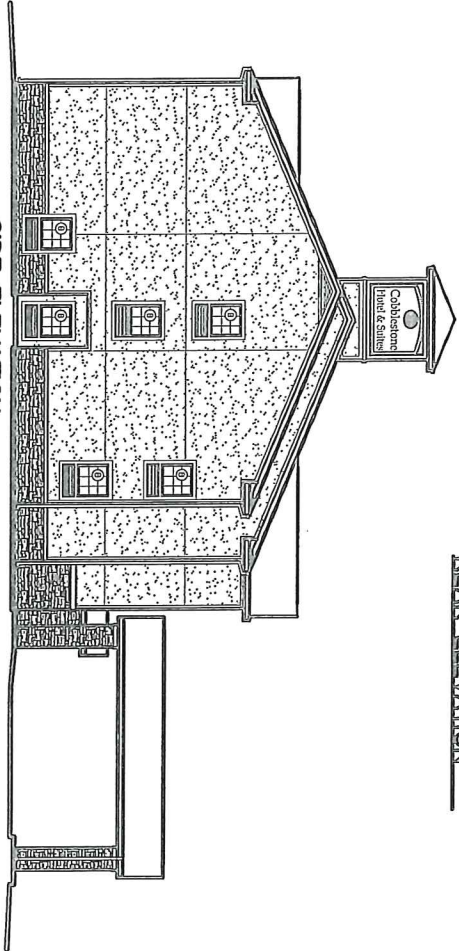


COBBLESTONE HOTEL & SUITES
MORGAN, UTAH
EXHIBIT 'B'
JANUARY 21, 2019
PAGE 4 OF 5
INITIALS: _____

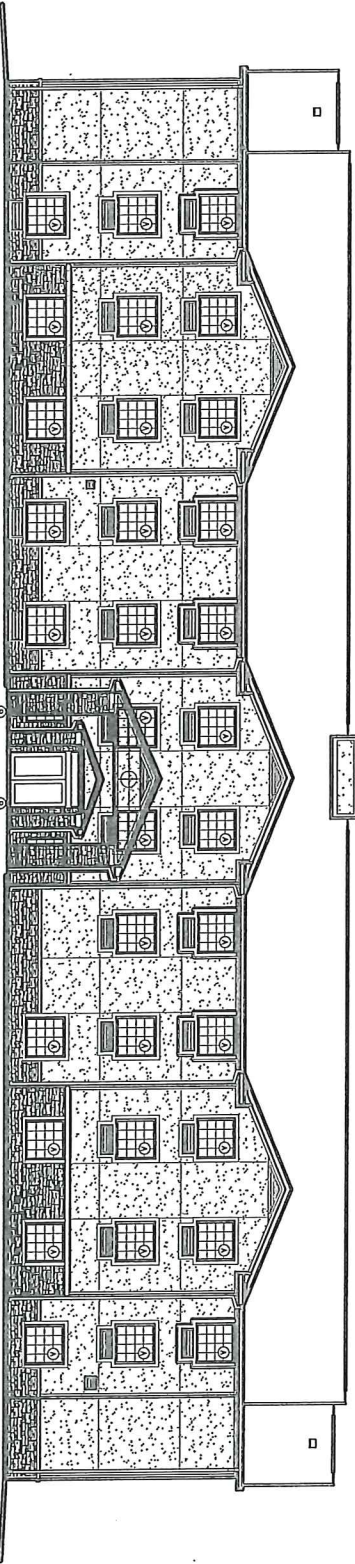
NORTH
THIRD FLOOR PLAN



REAR ELEVATION



SIDE ELEVATION



FRONT ELEVATION

COBBLESTONE HOTEL & SUITES
MORGAN, UTAH
EXHIBIT 'B'
JANUARY 21, 2019
PAGE 5 OF 5
INITIALS: _____

Section 1 - Carpet and Wallcoverings

Cobblestone Supply purchases all of the wallpaper, carpeting, carpet pad, and carpet base, for the entire hotel where product is noted on plans.

Section 2 - Lobby and Entrance(s)

The entrance is defined as the main entrance and the back entrance (not including any side doors, patios, etc.)

Item	Qty (EA)	Location
Artwork	3	Lobby Area
Cobblestone Hotels Smoke Free Clings	3	Entrance Doors
Coffee Table	1	Lobby Seating
End Table	1	Lobby Seating
Flat Panel TV w/ Mount	1	Above Fireplace
Lobby Couch	1	Lobby Seating
Logo'd Entrance Mat	3	Entrance Floors
Ring Only Phone	1	Main Entrance Vestibule
Self Locking Door Sign	3	Entrance Doors
Smoking/Garbage Receptacle	3	Exterior of Entrances
Wood Blinds	2	Lobby Windows
Lounge Chair	2	Lobby Seating

Section 3 - Front Desk / Office Area

Item	Qty (EA)	Location
ADA Kit	1	Front Desk Accessible
Call Accounting Printer	1	Front Desk Accessible
Cobblestone Required Literature	1	Front Desk
Ergo Chair	1	Managers Desk
Flat Panel Television W/ Mount	1	Wall Behind Front Desk
Garbage Can	1	Front Desk Accessible
Front Desk Key Programming Unit	1	Front Desk Accessible
Keycards and Envelopes	1	Front Desk Accessible
Hospitality Based Phone System Console	1	Front Desk Accessible
Manager Phone	1	Managers Desk
Owned and Operated Sign	1	Front Desk Counter
PMS System (CPU, printer, CC swipe, software setup cost)	1	Front Desk Accessible
Ring Only Phone	1	Front Desk Counter - Guest
Forgotten Items Essentials Stock	1	Front Desk Accessible

General Office Supplies

2-Drawer File Cabinet	1	Office Supply Area
Audit Envelopes	1	Office Supply Area
Banker Boxes (for audit)	1	Office Supply Area
Binders	1	Office Supply Area
Business Card Holder	1	Office Supply Area
Calculator	1	Office Supply Area
Cash Drawer Tray	1	Cash Drawer
Clipboards	4	Office Supply Area
Envelopes	1	Office Supply Area
File Folders	1	Office Supply Area
Gift Certificates	1	Office Supply Area
Highlighters	1	Office Supply Area

Ink Pad	1	Office Supply Area
Label Maker	1	Office Supply Area
Letterhead	1	Office Supply Area
Literature Holder	1	Office Supply Area
Paper	1	Office Supply Area
Paper Clips	1	Office Supply Area
Logo Pens	1	Office Supply Area
Reg Card Holders (Arrivals and Inhouse)	1	Office Supply Area
Rewards Stamper	1	Office Supply Area
Scissors	1	Office Supply Area
Stapler	1	Office Supply Area
Tape Dispenser	1	Office Supply Area
USB Drive	1	Office Supply Area

Section 4 - Back of House / Staff Laundry Room

Item	Qty (EA)	Location
"Staff" Signage	6	Entrance to Staff Areas
Body Fluids Kit	1	Designated Staff Area
Broom and Dustpan	4	Designated Staff Area
Commercial Dryer	1	Laundry Room
Commercial Washer	1	Laundry Room
First Aid Kit	2	Designated Staff Area
Housekeeping Cart	4	Designated Staff Area
HSIA Equipment	1	Mechanical Room
Laundry Bucket	2	Laundry Room
Mop Bucket Set	1	Designated Staff Area
Play Pen	3	Designated Staff Area
Plunger	4	Designated Staff Area
Sheet and Bedspread Folder	1	Laundry Room
Vacuum Cleaner	4	Designated Staff Area
Wet Floor Sign	1	Designated Staff Area

Item	Qty (EA)	Location
"ICE" Signage	1	Ice Machine
Bellman's Cart	1	Lobby
Ice Machine	1	Designated Area
PTAC	8	Stairways and Corridors
Room Directional Signage	3	Ends of Hallways
Stair Signage	6	Stair Entrances

Section 6 - Public Bathroom(s)

Item	Qty (EA)	Location
Bathroom Sign	3	Bathroom Entrance Wall
Garbage Receptacle	3	Public Bathroom
Paper Towel Dispenser	3	Public Bathroom
Vanity Mirror	3	Above Bathroom Vanity

Section 7 - Convenience Store

Item	Qty (EA)	Location
Convenience Store Signage	1	Entrance to Convenience Store
Glass Door Freezer	1	Convenience Store
Pizza Cutter	1	Front Desk Accessible
Pizza Oven	1	Convenience Store Counter

Section 8 - Business Center

Item	Qty (EA)	Location
Business Center Computer	1	Business Center
Business Center Printer	1	Business Center
Ergo Chair	1	Business Center
Decorative Mirror	1	Business Center

Section 9 - Guest Laundry

*This area may be combined with fitness room in which the * noted quantities will be one.*

Item	Qty (EA)	Location
Guest Laundry Sign	1	Entrance to Guest Laundry
*Electronic Lock	1	Entrance to Guest Laundry
Guest Coin Operated Dryer	1	Guest Laundry
Guest Coin Operated Washer	1	Guest Laundry
*PTAC	1	Guest Laundry

Section 10 - Fitness Center

*This area might be combined with guest laundry in which the * noted quantities will be one.*

Item	Qty (EA)	Location
*Electronic Lock	1	Fitness Room
*Flat Panel TV w/ Mount	1	Fitness Room
Wall Mirrors	1	Fitness Room
*PTAC	1	Fitness Room
Dumbbell Rack and Weights	1	Fitness Room
Exercise Bike	1	Fitness Room
Treadmill	1	Fitness Room
Fitness Rules Signage	1	Fitness Room

Section 11 - Breakfast Area

*This area might be combined with lounge/bar in which the * noted quantities will be one.*

Item	Qty	Location
Airpots w/ rack	3	Breakfast Bar
Breakfast Hours Sign	1	Breakfast Bar Wall
Cereal Dispenser	1	Breakfast Bar
Chafer Set	1	Breakfast Bar
Coffee Display Signage	1	Breakfast Bar
Condiment Organizer	1	Breakfast Bar
Undercounter Refrigerator	1	Breakfast Bar
Flatware Dispenser	1	Breakfast Bar
Fruit Display	1	Breakfast Bar
Garbage Receptacle	1	Breakfast Area
Microcan	1	Breakfast Bar
Pastry Case	1	Breakfast Bar

Plate and Napkin Holder	1	Breakfast Bar
Serving Utensils	3	Breakfast Bar
Beamed Ceilings	1	Breakfast Bar

Section 12 - Lounge

This Lounge area to be combined with breakfast area.

Item	Qty	Location
12" Slicing Knife	1	Prep
9" Chefs Knife	1	Prep
Artwork	2	Lounge
Back Bar Cooler	1	Prep
Breakfast Prep Microwave	1	Prep
Convection Oven	1	Prep
Cutting Board	1	Prep
Flat Panel Television with Mount	3	Lounge
Garbage Receptacle	2	Lounge
Spatulas	2	Prep
Kitchen Timer	1	Prep
Liquor Bottle Display	1	Bar Area
Lounge Bar Table Tops and Bases	3	Lounge
Lounge Barstools	12	Lounge
Lounge Dining Chairs	16	Lounge
Lounge Dining Tables and Bases	4	Lounge
Lounge Coffee Table	1	Lounge
Lounge Soft Seating (two lounge chairs, one couch)	3	Lounge
Chef Spoons	1	Prep
Microwave Safe Bowls and Platters	1	Prep
Oven Mitt	1	Prep
Paper Towel Dispenser	1	Prep
Pie Tins or Sizzler Platters	1	Prep
Pint Glasses	12	Prep
Pizza Cutter	1	Prep
Pizza Pans	1	Prep
Reach in Refrigerator	1	Prep
Reach in Freezer	1	Prep
SS Worktable	1	Prep
Tongs	1	Prep
Underbar Ice Bin	1	Bar Area
Wine Glasses	12	Prep
Wooden Blinds	1	Lounge

Section 13 - MISC.

Item	Qty	Location
Cameras (DVR system included)	12	Designated Areas
Fire Extinguisher	Where Noted	Corridor/Public Space

Section 14 - Pool

Item	Qty (EA)	Location
Electronic Lock	2	Pool Entrance

Pool Chairs	12	Pool Area
Pool Entrance Sign	2	Entrance to Pool
Pool Rules Sign	1	Pool Area Wall
Pool Side Tables	6	Pool Area
Pool Towels	30	Towel Shelf
Towel Shelf	1	Pool Area

Section 15 - Patio

Item	Qty (EA)	Location
Litter/Cigarette Receptacle	1	Patio
Patio Chairs	12	Patio
Patio Table	3	Patio
Umbrella	3	Patio

Section 16 - Meeting Room

Item	Qty (EA)	Location
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NO MEETING ROOM

Section 17 - Guestroom

The quantities below reflect amount purchased for entire hotel, not per room

Item	Qty (EA)	Location
3 Drawer Dressers	56	Guestroom
Alarm Clock	56	Guestroom
Amenity Tray	56	Guestroom
Art 1	56	Guestroom
Art 2	56	Guestroom
Art 3 (Bathroom Art)	56	Bathroom
Art Sofa	21	Guestrooms with sofa
Bath Mat	56	Guestroom
Bath Soap	112	Guestroom
Bath Towels	228	Guestroom
Bathroom Hardware Package (towel bars, robe hooks)	56	Guestroom
Bathroom Towel Cubbies	56	Bathroom
Bed Bases - King	15	Guestroom
Bed Bases - Queen	82	Guestroom
Clear Cups	336	Guestroom
Closet Rack	56	Guestroom
Coffee	448	Guestroom
Coffee Brewer (Dual Dispenser)	56	Guestroom
Coffee Condiment Pack	448	Guestroom
Coffee Tray	56	Guestroom
Conditioner	112	Guestroom
Desk	56	Guestroom
Desk Chair	56	Guestroom
Desk Lamp	56	Guestroom
DND Sign	56	Guestroom
Electronic Door Lock	56	Guestroom
Evacuation Sign	56	Guestroom
Facial Soap	112	Guestroom

COBBLESTONE HOTEL AND SUITES
STANDARD THEME

Morgan, UT
56 Units

Facial Tissue	112	Guestroom
Facial Tissue Cover	56	Guestroom
Flat Panel TV	77	Guestroom
Full Length Mirror	56	Guestroom
Hairdryer	56	Guestroom
Hand Towels	448	Guestroom
Hangers	504	Guestroom
Ice Bucket & Cover	56	Guestroom
Ice Bucket Liners	112	Guestroom
Iron	56	Guestroom
Iron Caddy	56	Guestroom
Ironing Board	56	Guestroom
King Bed Scarf	17	Guestroom
King Bed Set	15	Guestroom
King Bed Skirt	17	Guestroom
King Duvet Insert	17	Guestroom
King Fitted Sheet	30	Guestroom
King Flat Sheet	30	Guestroom
King Headboard	15	Guestroom
King Mattress Pad	17	Guestroom
King Top Sheet	30	Guestroom
Laundry Bag	56	Guestroom
Lightbulbs	336	Guestroom
Luggage Rack	56	Guestroom
Microwave	56	Guestroom
Nighstand	71	Guestroom
Nighstand Lamp - Single Socket	30	Guestroom
Nightstand Lamp - Two Socket	41	Guestroom
No Smoking Sign	56	Guestroom
Notepad and logo pen	56	Guestroom
Phone w/ Faceplate	64	Guestroom
Pillow Cases	731	Guestroom
Pillows	403	Guestroom
PTAC	64	Guestroom
Queen Bed Scarf	94	Guestroom
Queen Bed Set	82	Guestroom
Queen Dust Skirt	94	Guestroom
Queen Duvet Insert	94	Guestroom
Queen Fitted Sheet	164	Guestroom
Queen Flat Sheet	164	Guestroom
Queen Headboard	82	Guestroom
Queen Mattress Pad	94	Guestroom
Queen Top Sheet	164	Guestroom
Refrigerator	56	Guestroom
Room Number Sign	56	Guestroom
Shampoo	112	Guestroom
Sheet Tent (Green Program)	56	Guestroom

Initial _____

1/21/2019

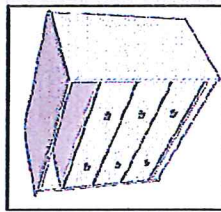
COBBLESTONE HOTEL AND SUITES
STANDARD THEME

Morgan, UT
56 Units

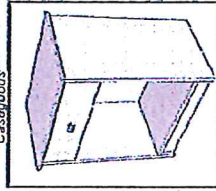
Shower Curtain	56	Guestroom
Tea	224	Guestroom
Toilet Tissue	112	Guestroom
Towel Sign (Green Program)	56	Guestroom
Vanity Mirror	56	Guestroom
Washclothes	448	Guestroom
Wastebasket	112	Guestroom
Wastebasket Liner	112	Guestroom
Window Treatment (Printed Blackout and Hardware)	64	Guestroom
Sofa Sleeper	21	Guestroom
Coffee Table	12	Guestroom with sofa
Kitchen Pack	8	Extended Stay Suite
Cooktop	8	Extended Stay Suite
Dishwasher	8	Extended Stay Suite
Floor Lamp	8	Guestroom
Lounge Chair	8	Guestroom
End Table	8	Guestroom

COBBLESTONE HOTELS – STANDARD THEME

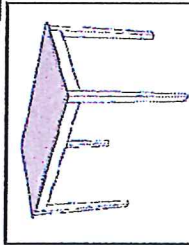
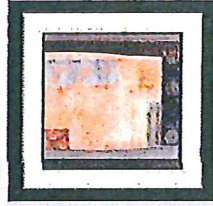
Guestroom Artwork



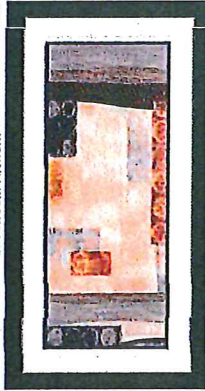
Casagoods



Casagoods Finish



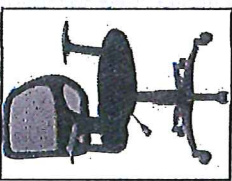
Guestroom Carpet



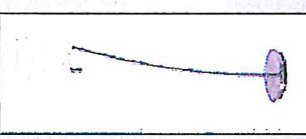
Lounge Chair



Guestroom Drapery Fabric



Lounge Chair Fabric



Breakfast Area Seating



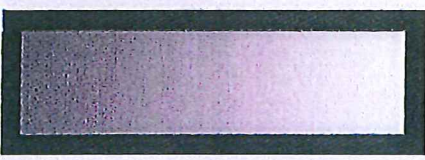
Sofa Fabric



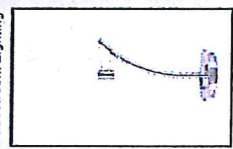
Sofa Sleeper

**Fabrics/Colors subject to change
based on availability** 3/2016

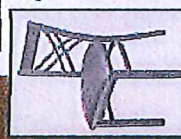
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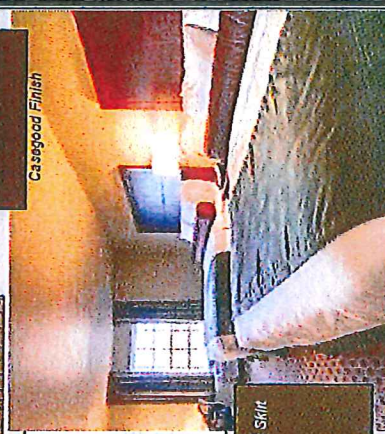
Guestroom Lighting



Public Space Carpet

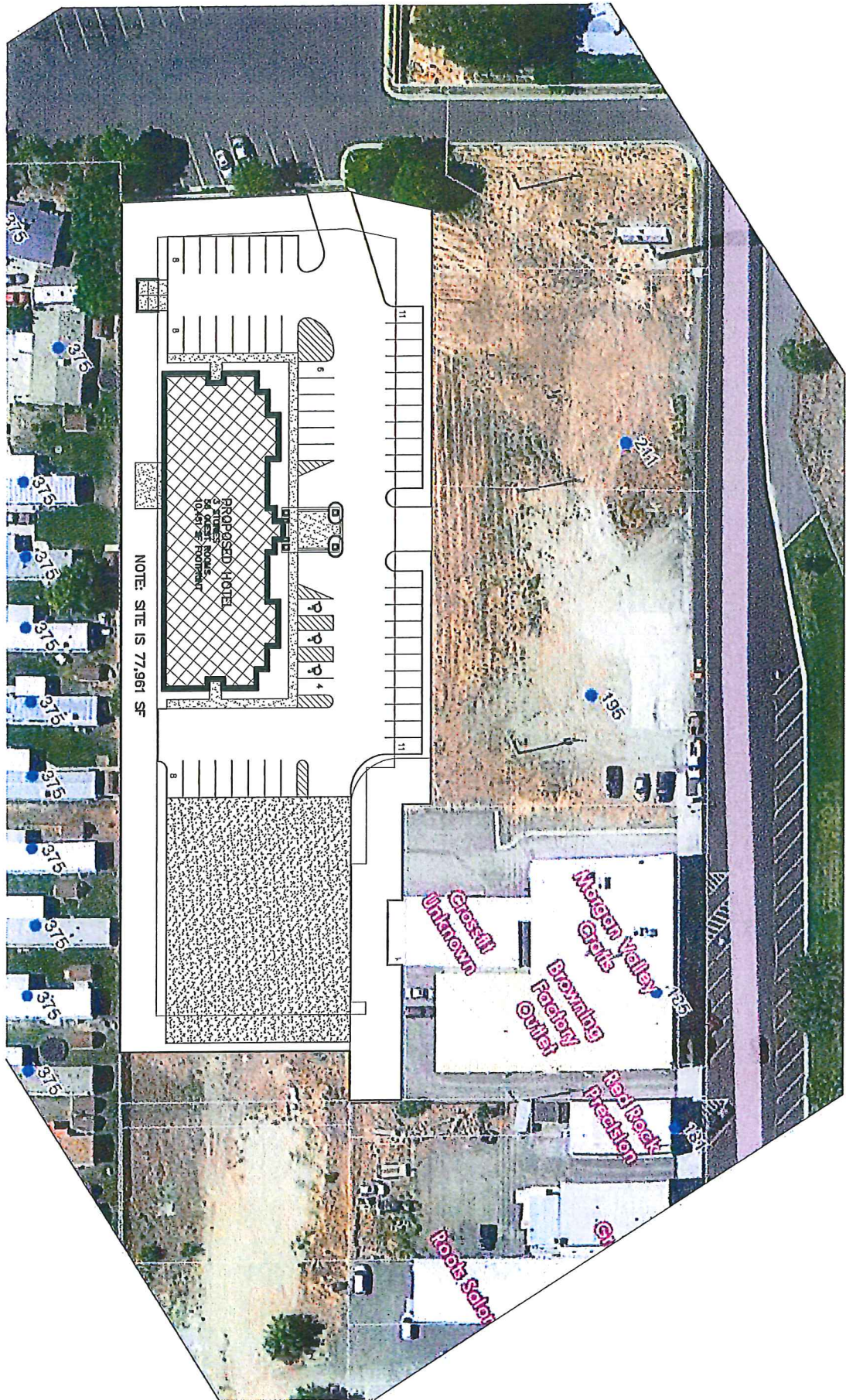


Public Space Wallpaper



Scarf & Dust Skirt

EXHIBIT "B"



NORTH
CONCEPT PLAN

COBBLESTONE HOTEL & SUITES
MORGAN, UTAH
EXHIBIT "B"
JANUARY 21, 2019
PAGE 1 OF 5
INITIALS: _____

EXHIBIT "C"

SITE - LEGAL DESCRIPTION

EXHIBIT "D"

TENTATIVE TIMELINE

