

PARAGON STATION IMPROVEMENT AGREEMENT

THIS PARAGON STATION IMPROVEMENT AGREEMENT (this "Agreement") is made and entered into as of this October 27, 2017 (the "Effective Date"), by and between the REDEVELOPMENT AGENCY OF SALT LAKE CITY, a public agency ("Agency" or "RDA") and PARAGON STATION, INC., a Utah corporation ("Owner"), collectively referred to herein as the "Parties", and individually as a "Party".

RECITALS

- A. Owner is the owner of a residential development located at 180 South 300 West in Salt Lake City, Utah (more particularly described in Exhibit A attached hereto, the "Property"), known as "Paragon Station".
- B. Agency made a loan to Owner in the maximum principal amount of \$3,000,000.00 (the "Loan") for the purpose of financing the redevelopment of the Property, pursuant to the Loan Agreement dated December 2, 2015 (the "Loan Agreement").
- C. The Loan is evidenced by the Secured Promissory Note dated as of the date of the Loan Agreement, and is secured by the Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing by Owner, as Trustor, to Agency, as Beneficiary, and recorded in the official records of Salt Lake County, State of Utah (the "Official Records") on December 11, 2015 as Entry No. 12187274 in Book 10387 beginning at Page 1660 (the "Deed of Trust").
- D. The Loan Agreement required certain terms, conditions, and obligations by Owner that have not been satisfied, including the recordation of a condominium plat on the Property and screening of the east boundary of the Property (collectively, the "Outstanding Obligations").
- E. Some of the Outstanding Obligations are evidenced by loan documents recorded in the Official Records, including the Assignment of Declarant's Rights recorded on December 11, 2015, as Entry No. 12187273, beginning on Page 1655 (the "Assignment"), the Notice of Option recorded on December 11, 2015, as Entry No. 12187272, beginning on Page 1650 (the "Notice"), and the Reciprocal Easement and Purchase Option Agreement recorded on December 11, 2015, as Entry No. 12187271, beginning on Page 1635 (the "REA"). The purpose of some of the Outstanding Obligations was to activate the southeast corner of the Property and screen parking along 300 West for a more inviting street aesthetic.
- F. Owner has tendered to Agency funds in the amount of \$3,086,167.92 for the repayment of the Loan and has requested a reconveyance of the Deed of Trust. Owner has also requested waiver or modification of the Outstanding Obligations. Agency has agreed to reconvey the Deed of Trust and to waive or modify the Outstanding Obligations, conditioned upon the terms and conditions of this Agreement.
- G. Agency desires to create visual interest to activate what is otherwise an uncultivated corner and streetscape. The fencing and art improvements described herein meet the Agency's

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 ADAM GARDINER  
 RECORDER, SALT LAKE COUNTY, UTAH  
 SALT LAKE COUNTY REDEVELOPMENT AGENCY  
 P.O. BOX 145518  
 SLC UT 84114  
 BY: SNA, DEPUTY - 01 19 P.

goals for activating the 300 West boundary of the Property by screening the parking and providing visual interest along the Property boundary.

- H. As partial consideration for Agency's reconveyance of the Deed of Trust and to secure performance of certain obligations, on August 8, 2017, the Parties entered into an Escrow Agreement ("**Escrow Agreement**").
- I. This Agreement and the herein referenced Restrictive Use Agreement details the requirements set forth in the Escrow Agreement regarding the fencing and art to be installed on the Property.

## AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation of Recitals. The recitals set forth above are hereby incorporated into this Agreement and the matters therein are acknowledged by the Parties to be true and correct in all material respects.
2. Repayment and Reconveyance. Agency hereby accepts the tendered funds as full repayment of the Loan. Agency agrees that the Loan Agreement and other loan documents shall have no further force or effect, unless the terms thereof survive expiration or termination of the respective loan documents. Agency has executed a Reconveyance of Deed of Trust and delivered it to Cottonwood Title Insurance Agency, Inc. ("**Cottonwood Title**"), the Trustee under the Deed of Trust, for recording in the Official Records.
3. Release of Loan Documents. In connection with entering into this Agreement, Agency has delivered to Cottonwood Title a release of the Assignment, Notice, and REA that has been recorded in the Official Records.
4. Escrow Agreement. In anticipation of entering into this Agreement, the Parties entered into an Escrow Agreement dated August 8, 2017, as amended (the "**Escrow Agreement**"), as partial consideration for Agency's reconveyance of the Deed of Trust and to secure performance of certain obligations. The Escrow Agreement requires Owner to escrow funds in the amount of \$91,495.55, to be released only upon satisfaction of conditions described therein. Upon the execution of this Agreement and the Restrictive Use Agreement by the Parties, Owner shall have satisfied its obligations under paragraph 1 of the Escrow Agreement, and neither Party shall have any further rights or obligations under such paragraph.
5. Fencing. Owner shall, at its sole cost and expense, install a fence along the east boundary and southeast corner of the Property (the "**Fence**") in the location approved by Agency.
  - (a) Owner has submitted to Agency the conceptual drawing, artistic rendering, architectural design, and construction specifications of the Fence (the "**Plans**"), which have been approved by Agency and are attached hereto as Exhibit B.
  - (b) Owner has submitted to Agency samples of the building materials for the Fence (the "**Materials**"), which have been approved by Agency.

(c) Owner shall promptly cause the Fence to be installed in compliance with the approved Plans and Materials, which installation shall occur before February 8, 2018.

(d) Owner shall cause the continued maintenance of the Fence to be commenced, performed, and completed in a prompt, diligent and workmanlike manner in accordance with this Agreement and any and all federal, state, and local laws, statutes, acts, ordinances, rules, and regulations.

6. Art Installation. Owner shall install art (the "Art") along the boundary of the Property or the Fence, in a location mutually agreed to by the Parties. Owner and Agency will determine how the Art shall be installed along the Fence or incorporated onto the Fence.

(a) Agency has determined that Owner's agreement to display the Art will be consistent with the purposes, goals, and objectives of Agency to support public art displays around Salt Lake City.

(b) The Parties agree that the Salt Lake City Art Design Board (the "Board") may make a recommendation regarding the selection, design, and installation of the Art. The Parties shall work together to mutually select the Art. The Art shall not be commercial in nature (i.e., the Art is designed or intended to direct attention to a business, product or service), although the Art may have a commercial sponsor. For the sake of clarity, the Board or Agency shall provide Owner with a list of approved Art. Owner, at its discretion, shall select the Art from such list of approved Art.

(c) Owner shall cause the Art to be installed by May 31, 2018, which date may be extended so long as the Parties are diligently working in good faith to select and install the Art. Upon Owner's completion of installation of the Art, as confirmed by Agency, Agency shall authorize the release of the remainder of the escrowed funds held under the Escrow Agreement, and the Escrow Agreement shall terminate.

(d) The Art shall be treated so as to be graffiti resistant. Owner shall cause the continued maintenance of Art to be commenced, performed, and completed in a prompt, diligent and workmanlike manner in accordance with this Agreement and any and all federal, state, and local laws, statutes, acts, ordinances, rules, and regulations and/or other reasonable requirements of Agency, which may include, without limitation, lighting and electricity.

(e) If Owner desires to change the Art, the Parties shall meet prior to the change in order to review and approve replacement Art selections. Owner shall not alter the Art displays and selected Art without the Agency's prior written consent during the term of this Agreement.

7. Term; Objectives.

(a) The Fence, Art, and any respective approved replacement, shall be required on the Property for so long as there is visible on-grade parking on the Property along 300 West and 200 South.

(b) As a condition of the Loan, Owner agreed to construct a 20 foot by 40 foot commercial building on the corner of the Property and install a canopy or trellis to screen the on-

grade parking facing 300 West, in order to meet the Agency's objectives to activate the space with a commercial or residential use and prohibit visible on-grade parking. Owner and Agency agree that installation of the Fence and the Art pursuant to this Agreement will create visual interest by screening the parking and displaying art for public enjoyment, meeting the parties' original objectives. If Owner desires to change or remove the Fence or Art, Agency's prior written approval is required, which may be reasonably withheld or conditioned to meet the Agency's original objectives.

(c) Notwithstanding the foregoing, or any other provision in this Agreement to the contrary, if Owner submits plans to Agency to construct above-ground improvements on the Property that meet the minimum requirements of the improvements in the original Loan conditions, then Agency will approve such plans. In that event, this Agreement and the Restrictive Use Agreement shall expire when Owner obtains a building permit for such approved improvements, and Agency shall execute and record a release of the Restrictive Use Agreement.

8. Restrictive Use Agreement. Notice of the obligations set forth in this Agreement shall be memorialized in a Restrictive Use Agreement, the form of which is attached hereto as Exhibit C to be recorded in the Official Records against the Property concurrently with execution of this Agreement.

9. Default; Remedies. If Owner fails to comply with any provision of this Agreement, the Escrow Agreement, or the Restrictive Use Agreement, it shall be in default of this Agreement and shall have 30 days to cure such default following notice of the default by Agency to Owner. Following any uncured default by Owner, Agency shall have all of its rights and remedies available to Agency at law or in equity, including the right of specific performance. Additionally, Agency shall be entitled to recover from Owner any and all costs and expenses incurred by Agency in enforcing the terms and conditions of this Agreement, including Agency's reasonable attorneys' fees.

10. General Provisions.

(a) Appropriation Condition. All financial commitments by Agency shall be subject to the appropriation of funds approved by the Salt Lake City Council and/or Agency Board of Directors and the limitations on future budget commitments provided under applicable Utah law, including the Utah Constitution.

(b) Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

(c) Number and Gender of Words. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

(d) Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be given (i) by Federal Express (or other established express delivery service which maintains delivery records), (ii) by hand delivery, or (iii) by certified or registered mail, postage prepaid, return receipt requested, to the Parties at the

following addresses, or at such other address as the Parties may designate by written notice in the above manner:

To Agency:                      Redevelopment Agency of Salt Lake City  
   Attention: Executive Director  
   Room 418, City & County Building  
   451 South State Street  
   P.O. Box 145518  
   Salt Lake City, Utah 84114-5518

To Owner:                         Paragon Station, Inc.  
   732 East Northcrest Dr.  
   Salt Lake City, Utah 84103  
   Attn: Micah Peters and James Chellis

Such communications may also be given by facsimile transmission, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon receipt, or upon attempted delivery thereof if delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means for accomplishing delivery.

(e) Governing Law. This Agreement is intended to be performed in the State of Utah, and the laws of Utah shall govern the validity, construction, enforcement, and interpretation of this Agreement, unless otherwise specified herein. Venue shall reside in Salt Lake City, Utah.

(f) Entirety and Amendments. This Agreement, together with the Escrow Agreement and Restrictive Use Agreement, embodies the entire agreement between the Parties and supersedes any prior agreements and understandings, if any, relating to the Property or any portion thereof and may be amended or supplemented only by an instrument in writing executed by both Agency and Owner.

(g) Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.

(h) Further Acts. In addition to the acts and deeds recited herein and contemplated to be performed, executed and delivered by Agency and Owner, Agency and Owner agree to perform, execute and deliver or cause to be performed, executed, and delivered any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated hereby.

(i) Survival. Except as otherwise provided for herein, all agreements, covenants, representations and warranties contained herein shall survive the expiration or termination of this Agreement and the performance by Owner of its obligations hereunder.

(j) Nonliability of Agency Officials and Employees. No member, official, or employee of Agency shall be personally liable to Owner, or any successor in interest, in the event of any default or breach by Agency or for any amount which may become due to Owner or its successor or on any obligation under the terms of this Agreement.

(k) No Relationship of Principal and Agent. Nothing contained in this Agreement, nor any acts of the Parties shall be deemed or construed to create the relationship of principal and agent or of limited or general partnership or of joint venture or of any other similar association between Agency, its successors or assigns, or Owner, its successors or assigns.

(l) No Presumption. This Agreement shall be interpreted and construed only by the contents hereof and there shall be no presumption or standard of construction in favor of or against either Party.

(m) Exhibits. All references to Exhibits contained herein are references to exhibits attached hereto, all of which are made a part hereof for all purposes.

(n) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all such counterparts shall constitute one and the same instrument.

(o) Successors and Assigns. The term "Owner", as used herein, shall be construed to mean and include any successors in interest to fee ownership of all or any portion of the Property and any other holders of interests in and to any portion of the Property.

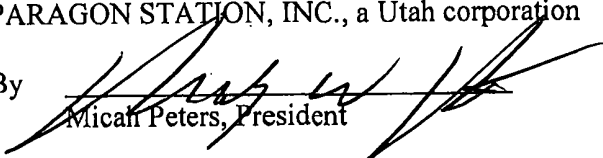
11. REPRESENTATION REGARDING ETHICAL STANDARDS. Owner and Agency both represent that they have not: (1) provided an illegal gift or payoff to a Salt Lake City, which includes Agency ("City"), officer or employee or former City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, or brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach any of the ethical standards set forth in the City's conflict of interest ordinance, Chapter 2.44, Salt Lake City Code.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

**OWNER:**

PARAGON STATION, INC., a Utah corporation

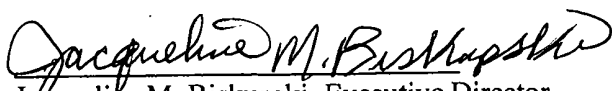
By

  
Micah Peters, President

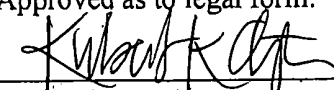
**AGENCY:**

REDEVELOPMENT AGENCY OF SALT LAKE CITY

By:

  
Jacqueline M. Biskupski, Executive Director

Approved as to legal form:

  
\_\_\_\_\_  
Kimberly K. Chytraus,  
Senior City Attorney

NO NOTARY SEAL  
CO. RECORDER

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

PARCEL 1:

Beginning at the Southeast corner of Lot 1, Block 66, Plat "A", Salt Lake City Survey; thence South 89°58'33" West 165.08 feet; thence North 00°03'22" West 200.05 feet; thence North 89°58'27" East 165.08 feet; thence South 00°03'19" East 200.06 feet to the point of beginning.

PARCEL 1A:

Nonexclusive easements and right of ways appurtenant to said property as disclosed in that certain Declaration, Grant of Easements and License of Parking Rights dated March 16, 2005 and recorded April 20, 2005 as Entry No. 9353279 in Book 9120 at Page 690.

PARCEL 1B:

A non-exclusive easement for vehicle and pedestrian access as disclosed in that certain Agreement for Reciprocal Easement dated June 9, 2011 and recorded June 10, 2011 as Entry No. 11196891 in Book 9930 at Page 2431.

TAX ID NO.: 15-01-129-031



EXHIBIT B  
APPROVED PLANS  
[See attached.]



# paragon

## Paragon Station Fence detail:

### **Materials:**

There are 5 primary components to the Paragon Station Fence design:

- A- **Steel posts:** Powder coated 4" X 4" steel posts. The posts will represent the structure for the 6' tall wood sections of the fence as well as the 8' green screen sections. See construction detail for custom L metal fastening system which allows for a picture mount of the wood versus traditional surface mount that shows screw/fastener hardware. The powder coat will be a glossy stainless-steel color for a unique/sophisticated modern finish that demarcates and highlights the grain of the hardwood material
- B- **Wood:** Horizontal fence sections- IPE hardwood. See attached samples of traditional dark IPE wood as well as rare Blond IPE. The 6' and 8' wide panel sections will be 6' tall. The individual slats of 3/4" thick IPE will be mounted 1/2" apart for "shadow effect"
- C- **Green Screen:** The vertical green screen sections will be achieved with a faux boxwood material that is mounted on woven wire fabric support mesh. The Green screen will be mounted on both sides of the fence to create the "good.neighbor" effect. See attached picture for example. The Green screen section are 2' wide X 7.7' tall.
- D- **LED Lighting:** Sleek 24" LED downlighting will highlight the green screen sections during night time hours. The fixtures are minimal. Finished with a modern/slim anodized aluminum frame that appears as an extension of the steel posts, but disappears during the day. See attached renderings for fixture example. Based on the public art selected, the fence system will have additional electric ports for added up lighting if needed.
- E- **Public ART:** \$30,000 has been escrowed for yet to be determined public art to applied to the exterior of the fence. A collaborative process will determine the medium, scale, and subject matter.

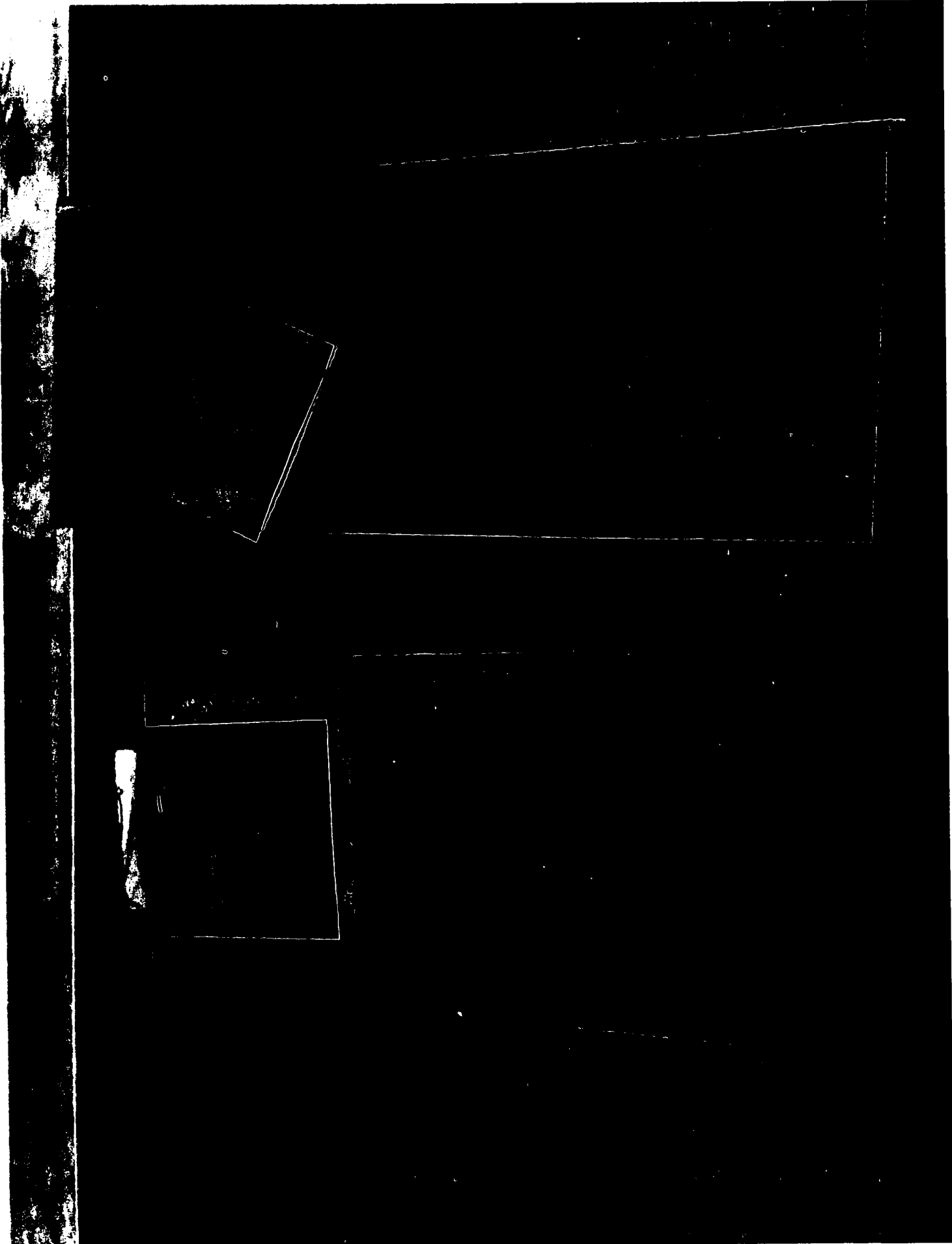
The fence system is broken down into the following section counts:

### **Wood sections**

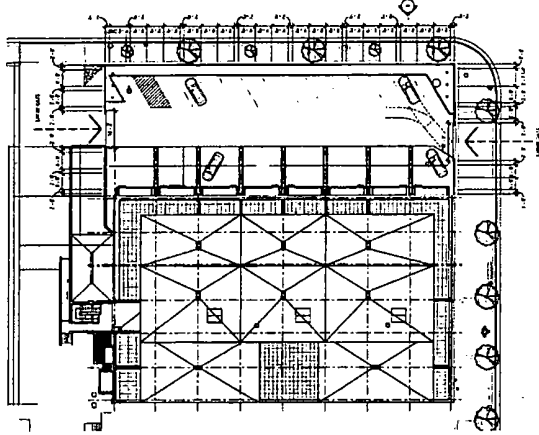
6' tall X 6' wide: count-3  
8' tall X 8' wide: count 23

### **Green Screen**

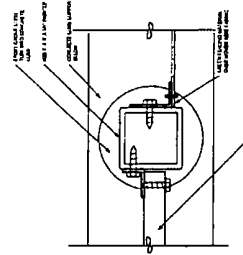
8' tall X 2' wide green panel (height includes light fixture): count-19



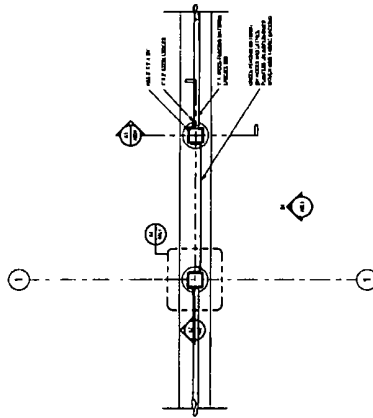
**PARAGON STATION - FENCE**



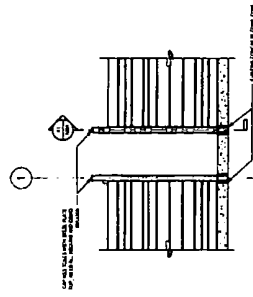
**B1 FENCE SITE PLAN**  
SCALE: 1/8" = 1'-0"



**B2 FENCE SUPPORT DETAIL VIEW**  
SCALE: 1/2" = 1'-0"

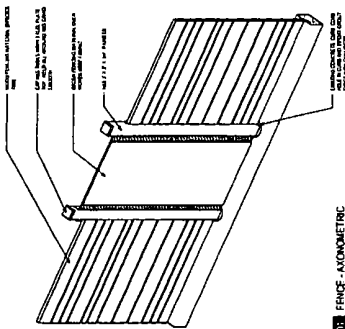


**B3 FENCE PLAN VIEW**  
SCALE: 1/8" = 1'-0"

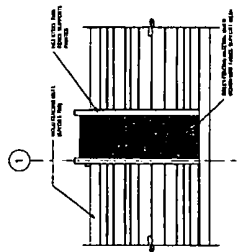


**B4 LONG SECTION**  
SCALE: 1/8" = 1'-0"

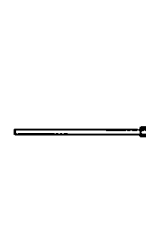
*Construction Detail*



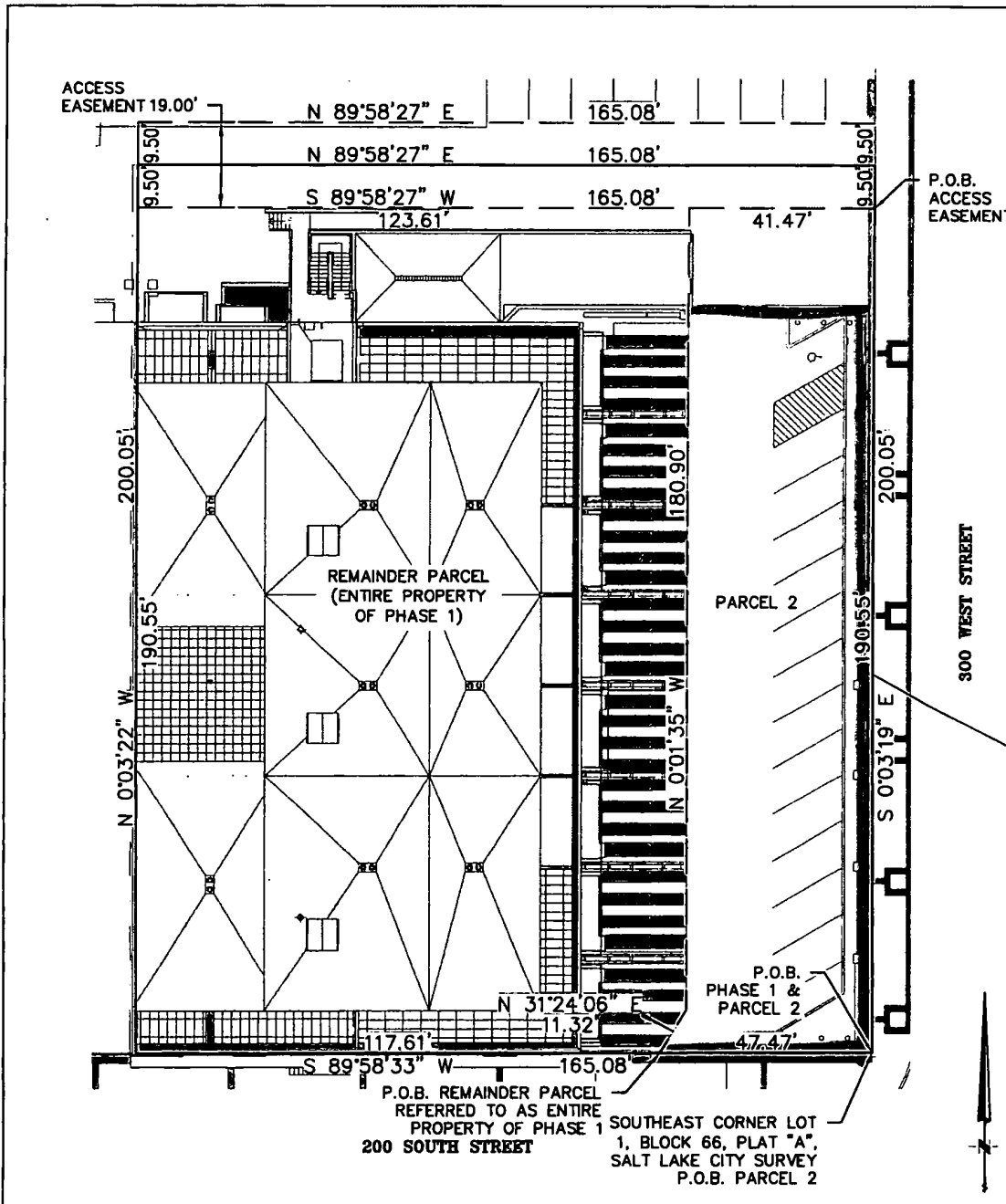
**B5 FENCE AXONOMETRIC**  
SCALE: 1/8" = 1'-0"



**B6 ELEVATION - STREET FACE**  
SCALE: 1/8" = 1'-0"



**B7 CROSS SECTION**  
SCALE: 1/8" = 1'-0"



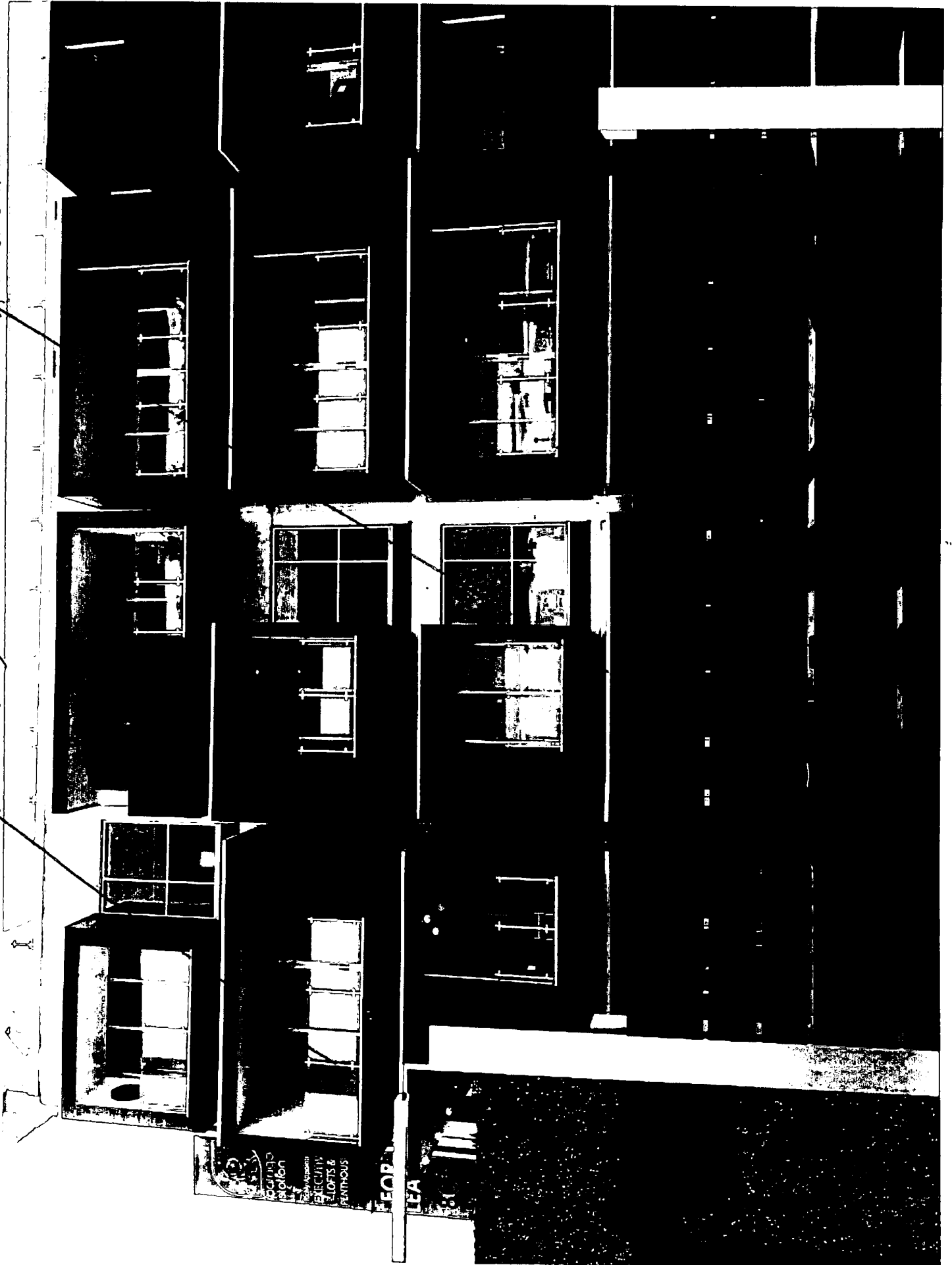
**EXHIBIT B**  
 TELEGRAPH EXCHANGE, LLC  
 PARCEL NO. 15-01-129-031



**BUSH & GUDGELL, INC.**  
 Engineers - Planners - Surveyors  
 655 East 4500 South Suite #100  
 Salt Lake City, Utah 84107  
 Phone (801) 685-6194 / Fax (801) 685-6195

Traditional IPE Hardwood

LED Lighting Fixture



10000  
 Station  
 Tech Agency  
 ELECTRIC  
 LOFTS &  
 BENTHOUS

FOR  
LEA

*Green Screen Sample #1*



Green Screen Sample #2







— Green Screen (Box head) woven Fabric Mesh  
— LED Light Fixture - Slim Downlight

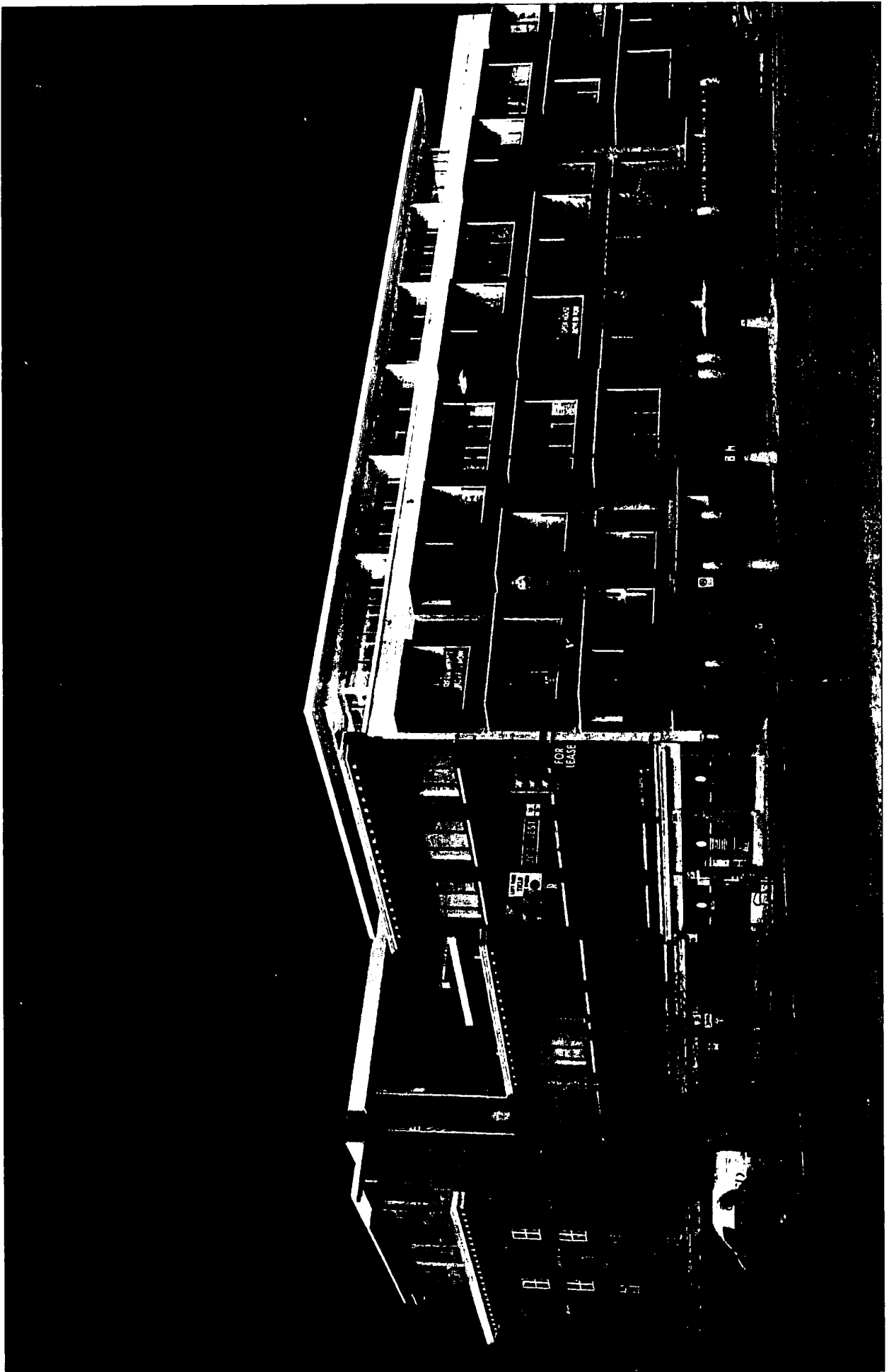


EXHIBIT C  
FORM OF RECIPROCAL USE AGREEMENT

[See attached.]