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RASHELLE HOBBS
Recorder, Salt Lake County, UT
FIRST AMERICAN NCS
BY: eCASH, DEPUTY - EF 13 P.

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

Redevelopment Agency of Salt Lake City
Room 418, City and County Building
451 South State Street
Salt Lake City, Utah 84111
Attn: Chief Administrative Officer

FATCO NCS - 786818-a1

APN: 15-01-129-041-6000

(Above space for recorder's use only)

OPTION TO REPURCHASE AGREEMENT

This Option to Repurchase Agreement ("**Agreement**") is made and entered into as of the 31st day of May, 2019 ("**Effective Date**"), by and between the Redevelopment Agency of Salt Lake City, a public agency ("**RDA**"), and Paperbox Developers, LLC, a Utah limited liability company ("**Owner**"), both of whom are collectively referred to herein as the "**Parties**", and individually as a "**Party**."

RECITALS

In accordance with the terms of that certain Option to Purchase Agreement dated as of April 21, 2017 ("**Option Agreement**"), and pursuant to that Special Warranty Deed which was recorded on the Effective Date ("**Deed**"), the RDA sold and the Owner purchased certain real property located at approximately 340 West 200 South, Salt Lake City, Utah (as more particularly described in Exhibit "A" attached hereto, the "**Property**").

Also pursuant to the Option Agreement, on the Effective Date, the RDA and the Owner entered into that certain Development Agreement, which was recorded immediately before this Agreement ("**Development Agreement**"), in accordance with which the Owner agreed to develop the Property as provided therein.

To provide assurances to the RDA that the Owner shall construct the Developer Improvements as provided in the Development Agreement, the RDA and the Owner have agreed to enter into this Agreement providing the RDA with an exclusive option to repurchase the Property from the Owner, subject to the terms, conditions and provisions set forth herein.

The Owner has executed this Agreement as a material inducement and condition precedent to the RDA to close on the sale of the Property in accordance with the terms, conditions and provisions of the Option Agreement and, *but for* the execution of this Agreement, the RDA would not have agreed to sell the Property to the Owner.

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation of Recitals; Definition. The recitals set forth above are hereby incorporated into this Agreement and the matters therein are acknowledged by the Parties hereto to be true and correct in all material respects.

The following terms shall have the meanings set forth below:

“**Developer Improvements**” shall have the meaning set forth in the Development Agreement.

“**Repurchase Price**” shall mean actual out-of-pocket expenses paid by the Developer to construct the Developer Improvements as of the date RDA’s Option Notice, minus the purchase price paid by Developer under the Option Agreement.

If the Purchase Price as so calculated is a negative number, then the Purchase Price shall be deemed to be \$0.

2. Purchase Option. Upon the occurrence of an Event of Default (as defined in the Development Agreement), the RDA shall have an exclusive option to elect to repurchase the Property (“**Option**”) from the Owner on the terms and conditions specified herein.

3. Exercise of Option. The RDA may exercise the Option by giving written notice to the Owner (“**RDA’s Option Notice**”) at any time after the date which is ten days following the date on which an Event of Default occurs.

4. Termination of Option. The Option shall terminate on the date that the RDA shall issue the Certificate of Completion as provided in the Development Agreement.

5. Repurchase Price. If the RDA shall exercise the Option, then it shall be obligated to pay the Owner the Repurchase Price.

6. Closing Date. If the RDA elects to exercise the Option, the closing of the RDA’s repurchase of the Property (“**Closing**”) shall occur on a date specified in writing by the RDA to the Owner, which date shall not be later than thirty (30) days following the date of the RDA’s delivery of the RDA’s Option Notice (“**Closing Date**”).

7. Conveyance of the Property. The Owner shall convey the Property by means of a special warranty deed, subject to all matters of record except for liens and monetary encumbrances created by the Owner, the intent of the Parties being that the RDA shall again hold fee title to the Property, subject only to such exceptions as existed immediately prior to the date on which the RDA and the Owner executed the Option Agreement. The Owner shall cause any financing against the Property to be released and satisfied, unless the RDA assumes such financing (“**Property Financing**”). In addition, notwithstanding anything herein to the contrary, the Parties agree that the provisions attached hereto as Exhibit B shall be binding on the Parties.

8. Title Insurance and Closing Costs. In the event the RDA shall exercise its Option, the RDA shall have the right to procure from a title company of its choice, an owner’s policy of title insurance that insures marketable fee title to the Property, subject only to matters of record as of the date the Owner purchased the Property (and excluding all liens and monetary encumbrances

created by the Owner), together with such endorsements as the RDA may require. The Owner shall pay for the cost of the standard coverage owner's title insurance policy, and the RDA shall pay for the additional cost related to the issuance of an extended coverage owner's title insurance policy, as well as the cost of any endorsements thereto (except for endorsements related to mechanic's liens as set forth below). The Owner agrees to cooperate in causing the Owner's policy of title insurance to issue, and it shall remove or cause to be removed those mechanic's liens or monetary encumbrances that it has created or permitted, or, in the case of mechanic's liens, to cause (at the Owner's expense) an endorsement to be issued by the title company. The RDA shall pay all recording fees. The Owner shall pay all documentary or transfer taxes, if any. The RDA and the Owner shall equally share escrow fees. All unpaid ad valorem taxes shall be prorated between the RDA and the Owner as of the date of Closing. No brokers or real estate agents shall be utilized in such transaction and no commissions will be due any broker or agent. Each party shall indemnify the other from any liability for any such fees or commissions incurred by it. At Closing, the Owner shall also execute and deliver any affidavit or lien waiver reasonably requested by the RDA's title insurer and a non-foreign affidavit.

9. Default. If the RDA exercises its Option, and the sale and purchase of the Property is not timely consummated on account of a default by the Owner under any of its obligations in this Agreement, the RDA shall be entitled to pursue any and all available remedies at law or in equity, including the remedy of specific performance of the Owner's obligations hereunder. Additionally, the Owner shall reimburse the RDA for its out-of-pocket expenses incurred in connection with the exercise of the Option, or the enforcement of its rights under this Agreement.

10. Other Agreements.

a. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be given by (i) Federal Express (or other established express delivery which maintains delivery records), (ii) hand delivery, or (iii) certified or registered mail, postage prepaid, return receipt requested, to the Parties at the following addresses, or other such addresses as the Parties may designate from time to time by written notice in the above manner:

If to the Owner: Paperbox Developers, LLC
180 N University Avenue, Suite 200
Provo, Utah 84601
Attn: Rob Fetzer

With a copy to: Property Enhancement Group, Inc.
180 North University Avenue, Suite 200
Provo, Utah 84601
Attn: General Counsel

Clearwater Homes, LLC
336 Broadway, Suite 110
Salt Lake City, UT 84101
Attn: Micah Peters

If to the RDA: Redevelopment Agency of Salt Lake City

451 South State Street, Room 418
P.O. Box 145518
Salt Lake City, UT 84114-5518
Attention: Chief Administrative Officer

With a copy to: Salt Lake City Attorney's Office
451 South State Street, Room 501
Salt Lake City, UT 84114-5518
Attn: City Attorney

Notices shall be deemed effective on 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.

b. References. All references to "Section" or "Sections" contained herein are, unless specifically indicated otherwise, references to Sections of this Agreement. All references to "Exhibits" contained herein are references to Exhibits attached hereto, all of which are made a part hereof for all purposes.

c. Captions; Headings. 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.

d. 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.

e. Governing Law. This Agreement and all transactions contemplated hereunder and/or evidenced hereby shall be governed by, construed under, and enforced in accordance with the internal laws of the State of Utah without giving effect to any choice of law or conflict of law rules or provisions (whether of the State of Utah or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than Utah.

f. Venue. The Parties hereby agree that all actions to enforce the terms and provisions of this Agreement shall be brought and maintained only within the State of Utah and the Owner hereby consents to the exclusive jurisdiction of any court within the State of Utah.

g. Severability. 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. Multiple Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts is to be deemed an original for all purposes,

and all such counterparts shall, collectively, constitute one agreement, but, in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

i. Further Acts. In addition to the acts and deeds recited herein and contemplated to be performed, executed and delivered by the Parties, the Parties agree to perform, execute and deliver or cause to be performed, executed, and delivered at the Closing or after the Closing any and all such further acts, deeds and assurances as may be reasonably necessary to consummate the transactions contemplated hereby.

j. 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 the Owner of its obligations hereunder.

k. Representation Regarding Ethics. The Owner represents and warrants that neither it nor any of its members, managers, employees, or officers has: (1) provided an illegal gift or payoff to a 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 contract upon an agreement or understanding for a commission, percentage, 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.

l. Binding Effect. This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assigns. If Owner is now or is ever composed of more than one party, the obligations and warranties contained herein and arising therefrom are and shall be joint and several as to each such party.

m. No Relationship. 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 the RDA, its successors or assigns, or the Owner, its successors or assigns.

n. 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.

o. Days. Unless otherwise specified in this Agreement, a reference to the word "**days**" shall mean calendar days. The term "**business days**" shall mean each day of the week except weekends and federal holidays during which the United States mail is not delivered.

p. No Waiver of Governmental Immunity. The Owner acknowledges that the RDA is an agency of the State of Utah and as such is subject to and bound by the provisions of the Utah Governmental Immunity Act, Utah Code Ann. § 63-30-1 (the "**Act**"). No covenant, provision or agreement contained in this Agreement will be deemed to be a waiver of the rights of the RDA under the Act.

q. Merger; Time of the Essence. This Agreement supersedes all prior agreements, and constitutes the entire agreement between the Parties with respect to the subject matter hereof and no modification or waiver will be effective unless in writing and signed by the Party to be charged. All documents and other matters to be furnished by the Owner will be satisfactory in form and substance to counsel for the RDA. Time is of the essence hereof.

r. Assignability and Enforcement. The RDA may, without any notice whatsoever to anyone, sell, assign, or transfer its interest in the Property and/or the Development Agreement, and in that event, each and every immediate and successive assignee, transferee, or holder of all or any part of the Property and the Development Agreement, as the case may be, shall have the right to enforce this Agreement, by suit or otherwise, for the benefit of such assignee, transferee, or holder as fully as if such assignee, transferee, or holder were herein by name specifically given such rights, powers, and benefits, provided that notice of transfer and/or proof of ownership of this Agreement is provided to the Owner prior to the enforcement of this Agreement.

s. Recordation. This Agreement or a memorandum of this Agreement shall be recorded in the office of the Salt Lake County Recorder.

t. Waiver. The RDA shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by the RDA. No delay or omission on the part of the RDA in exercising any right shall operate as a waiver of such right or any other right.

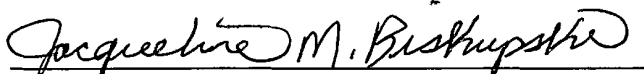
u. Priority. This Agreement shall not be subject to any deed of trust or other financial lien.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

RDA:

Redevelopment Agency of Salt Lake City, a public entity



Jacqueline M. Biskupski
Executive Director

Approved as to form:
Salt Lake City Attorney's Office



Katherine N. Lewis

OWNER:

Paperbox Developers, LLC, a Utah limited liability company

By: PEG OZII GP, LLC, its manager

By: PEG Capital Partners, LLC, its manager

Print Name: Rob Fetzer
Title: Manager

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

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Jacqueline M. Biskupski
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Approved as to form:
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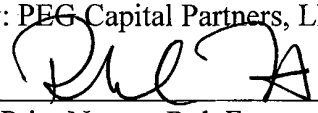
Katherine N. Lewis

OWNER:

Paperbox Developers, LLC, a Utah limited liability company

By: PEG OZII GP, LLC, its manager

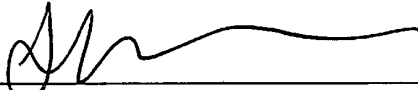
By: PEG Capital Partners, LLC, its manager



Print Name: Rob Fetzer
Title: Manager

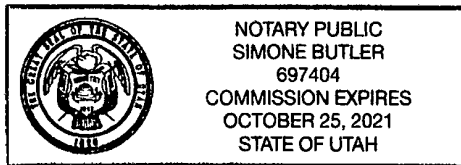
STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

On the 23rd day of MAY, 2019, personally appeared before me Jacqueline M. Biskupski, who being by me duly sworn did say she is the Executive Director of the Redevelopment Agency of Salt Lake City, and that the foregoing instrument was signed on behalf of the RDA.



NOTARY PUBLIC
Residing at: Salt Lake County

My Commission Expires:
10/25/2021



STATE OF UTAH)
 : ss.
COUNTY OF _____)

On the _____ day of _____, 2019, personally appeared before me Rob Fetzer, who being by me duly sworn did say he is the manager of PEG Capital Partners, LLC, a Delaware limited liability company, and that the foregoing instrument was signed on behalf of the entity.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

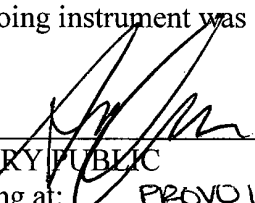
On the ____ day of _____, 20__, personally appeared before me Jacqueline M. Biskupski, who being by me duly sworn did say she is the Executive Director of the Redevelopment Agency of Salt Lake City, and that the foregoing instrument was signed on behalf of the RDA.

NOTARY PUBLIC
Residing at: _____

My Commission Expires:

STATE OF UTAH)
 : ss.
COUNTY OF UTAH)

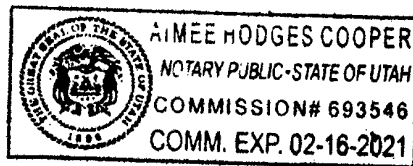
On the 23 day of MAY, 2019, personally appeared before me Rob Fetzer, who being by me duly sworn did say he is the manager of PEG Capital Partners, LLC, a Delaware limited liability company, and that the foregoing instrument was signed on behalf of the entity.



NOTARY PUBLIC
Residing at: PROVO, UT

My Commission Expires:

02-16-2021



Legal Description of Property

That certain real property located at 340 West 200 South in Salt Lake County, Utah more particularly described as follows:

BEGINNING AT A POINT 100 FEET EAST AND NORTH 0°03'48" WEST 178.4 FEET FROM THE SOUTHWEST CORNER OF BLOCK 66, PLAT "A", SALT LAKE CITY SURVEY; AND RUNNING THENCE NORTHWESTERLY ON A CURVE TO THE RIGHT (RADIUS BEING 173.8 FEET) 120.76 FEET; THENCE SOUTH 89°58'19" WEST 14.28 FEET; THENCE NORTH 70 FEET; THENCE EAST 660 FEET; THENCE SOUTH 130 FEET; THENCE WEST 395 FEET; THENCE SOUTH 21.6 FEET; THENCE WEST 165 FEET TO THE POINT OF BEGINNING.

Additional Provisions Related to Conveyance of the Property and Property Financing

In the event the RDA elects to release and satisfy the Property Financing, the RDA shall pay to the lender(s) of such Property Financing (the "**Lender**"): the amount outstanding of the Property Financing, including principal, accrued interest, default interest, late charges, Protective Advances made by the Lender, and any other outstanding obligations under the Property Financing documents (the "**Loan Documents**"). The RDA's right to release and satisfy the Property Financing (the "**Purchase**") shall be subject to the following conditions: (1) the Purchase shall close ("**Purchase Closing Date**") on the earlier of (a) ninety (90) days after the delivery of a copy of a default notice from Lender to RDA (the "**Default Notice**"), or (b) the date set for foreclosure under the Loan Documents; (2) RDA shall pay all costs and expenses listed above of the Purchase; (3) Lender shall execute such instruments as are reasonably required by the title company to insure RDA as the holder of the deed of trust under the Loan Documents (the "**Senior Deed of Trust**"); and (4) the Purchase shall be accomplished through an escrow at a title company, and RDA shall deposit the purchase price and both Lender and RDA shall deposit all documents effectuating the Purchase with said title company. Upon consummation of the Purchase, RDA shall be subrogated to the rights of Lender under the Loan Documents.

In the event the RDA elects to assume the Property Financing, the effectiveness of any assumption of the Property Financing under Loan Documents by RDA shall be subject the following terms and conditions:

- a. Lender shall have the right to approve the RDA as a new borrower under the Property Financing in its sole discretion;
- b. If required by Lender, RDA shall have selected, and Lender shall have approved, a replacement guarantor to guaranty all of the obligations under the Property Financing;
- c. The RDA, any replacement guarantor and all other parties to the Loan Documents shall execute and deliver such assumption and other documents as Lender may require.
- d. Amortizing principal payments shall be required under the Property Financing note upon completion of the improvements on the Property (the "**Project**") in an amount to be determined by Lender;
- e. All uncured Owner defaults under the Loan Documents shall have been cured prior to the proposed assumption;
- f. The RDA shall assume all of the obligations relating to the Property Financing (the "**Loan Obligations**"), including, without limitation, all of the financial reporting and covenants under the Loan Documents;
- g. The RDA shall have selected, and Lender shall have approved, a property manager to manage the Project pursuant to an executed property management agreement in form

and substance acceptable to Lender in its sole discretion, and the parties shall have executed and delivered to Lender a collateral assignment and subordination of such property management agreement in form and substance acceptable to Lender in its sole discretion;

- h. Lender shall have the right to file a UCC financing statement or such other documents as Lender may require in connection with any personal property required to be pledged by the RDA as additional security for the Loan Obligations;
- i. Lender shall have received, at the RDA's sole cost and expense, any title insurance policies or endorsements as may be required by Lender to ensure the Senior Deed of Trust remains a valid first priority lien on the Property; and
- j. The assumption shall close ("**Assumption Date**") on the earlier of (a) ninety (90) days after the delivery of a copy of the Default Notice to RDA, or (b) the date set for foreclosure of the Senior Deed of Trust.