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Proposed Attorneys for Debtor Fairgrounds Properties, Inc.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re

FAIRGROUNDS PROPERTIES, INC.

Debtor.

Bankruptcy No. 17-29271

Chapter 11

Judge William T. Thurman

**MOTION SEEKING AUTHORITY TO SELL REAL PROPERTY (LOT 39) LOCATED
IN HURRICANE, UTAH FREE AND CLEAR OF ALL INTERESTS PURSUANT TO 11
U.S.C. § 363, AND TO PAY TAXES AND COSTS OF SALE FROM SALE PROCEEDS**

Fairgrounds Properties, Inc., debtor and debtor-in-possession (the “**Debtor**” or “**Fairgrounds**”) in the above captioned Chapter 11 case, by and through its undersigned proposed counsel, moves this Court for an Order authorizing the private sale of real property located in Hurricane, Utah, which is described in further detail below, free and clear of all interests pursuant to 11 U.S.C. § 363(b), (f), and (m), as well as Rule 2002, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure. As part of this request, the Debtor requests that the Court authorize the Debtor to make certain payments associated with the sale as detailed below.

This Motion is supported by the *Declaration of Robert Stevens* (the “Stevens Declaration”) attached hereto as **Exhibit 1**. For the reasons set forth below, the Debtor maintains that this Motion should be granted.

JURISDICTION AND VENUE

1. On or about October 25, 2017, the Debtor filed a petition for relief under Chapter 11 of the Bankruptcy Code. ECF Docket No. 1.
2. The Court has subject matter jurisdiction of this proceeding pursuant to 28 U.S.C. §§ 157 and 1334.
3. Venue is proper in this Court pursuant to 28 U.S.C. § 1409.

BACKGROUND

4. In 2007, Debtor purchased eighty-six (86) acres of real property located in Hurricane, Utah (the “**Property**”). Stevens Declaration ¶ 4. The Debtor developed the Property into industrial lots and then sold them further construction and development by purchasers (the “**Fairgrounds Lots**”). *Id.* Though various sales over the years, as of the petition date, the Debtor is left with approximately thirty-one (31) acres, which have been divided up into nineteen (19) lots. *Id.* The Debtor has completed the entire infrastructure of remaining land including; completion of gutters, paved entries and water/sewer. *Id.*
5. Relevant to this Motion is lot 39 (“**Lot 39**”) which is described as: “Lot Thirty-Nine (39) FAIRGROUNDS INDUSTRIAL PARK, according to the Official Pat thereof, on file in the Office of the Recorder of Washington County, State of Utah,” as is more fully described in a Title Report attached as Exhibit “A” to the Stevens Declaration.
6. The following pre-petition liens exist against the Lot 39 (collectively, the “Recorded Liens”):
 - a. Unpaid property taxes;
 - b. Deed of Trust in favor of Town & Country Bank¹, recorded December 17, 2008, as entry number 20080048001;

¹ People’s Intermountain Bank (“**PIB**”), a Utah corporation is the successor in interest by merger to Town & Country Bank, Inc.

- c. Deed with Assignment of Rents in favor of Fairgrounds Industrial Park, LLC, recorded April 06, 2007, as entry number 20070017678.
- d. Deed of Trust in favor of Dakota Aggregate LLC, recorded February 24, 2014, as entry number 20140005359.

Exhibit A to Stevens Declaration.

Marketing and Sale of the Property

7. Cushman & Wakefield (“C & W”) has marketed the Property for private sale pursuant to a listing agreement from April 1, 2014. Stevens Declaration ¶ 5.

8. C & W has actively marketed the Property, including Lot 39 for private sale pursuant to industry standards, including by: (a) creating marketing flyers and postcards; (b) HTML email broadcasts; (c) posting on national real estate websites; (d) launching campaigns to real estate brokers; (e) engaging the regional economic development community; (f) soliciting targeted category buyers; and (g) otherwise promoting the Property’s availability to the national marketplace. *See* Stevens Declaration at ¶ 6.

9. Subject to Bankruptcy Court approval, on January 24, 2018, Debtor entered into the REPC (the “**Sale Agreement**”) to sell Lot 39 to Ron Steele (“**Buyer**”) for a total purchase price of \$109,000. A true and correct copy of the Sale Agreement is attached as Exhibit “B” to the Stevens Declaration.

The Sale Agreement

10. While the Sale Agreement must be reviewed to obtain full disclosure of all its material terms, the following summary of the terms most relevant to this Motion:

- a. The purchase price is \$109,000.
- b. The Buyer has made an earnest money deposit in the amount of \$2,500.

Id.

Additional Terms

11. Additional terms requested in this Motion are:

- a. The sale of Lot 39 is conditioned on the Court's entry of an Order approving the Sale.
- b. The Settlement and close of the transaction will occur once the Order is entered.
- c. The Debtor requests that the Court waive the fourteen (14) day appeal period.
- d. The sale of the Property is "AS IS" with no representation or warranties by the Debtor, except that the Debtor has authority to enter into the Sale Agreement and sell the Property with Court approval and will seek approval of the sale free and clear of liens and interests under 11 U.S.C. § 363(b) and (f).
- e. Authorize a break-up fee (the "**Break-Up Fee**") in favor of Buyer of \$5,000.

Break-up Fee

12. In order to induce Buyer to expend additional time, resources, and uncertainty in submitting a "stalking horse" bid, the Debtor agreed to provide, and to seek this Court's approval of the Break-Up Fee. The Motion requests entry of an order approving the Break-Up Fee, which is comprised of a break-up fee of \$5,000² if Lot 39 is sold to a party other than Buyer, provided that Buyer has not defaulted in any of its material obligations under the Sales Agreement.

Proposed Sale Procedures

13. The proposed sale of Lot 39 is a private sale, and it is anticipated that it will close in accordance with the terms of the Sale Agreement.

14. However, the sale of Lot 39 is subject to higher and/or better offers.

² As set forth in the Higher and/or Better Deadline, the first acceptable bid shall be in increments of \$6,000 to ensure that the Debtor's Estate receives a benefit from back-up buyer.

15. The Debtor will consider all written offers for the purchase of Lot 39 made prior to the expiration of the deadline set forth in the Notice of Hearing filed concurrently herewith (the "**Higher and/or Better Deadline**").

16. Whether an offer is a higher and/or better offer will be determined by the Debtor is its sole discretion.

17. Upon closing of the sale, whether to the Buyer or to a person who has submitted a higher and/or better offer, the Debtor will file a Notice of Sale with the Court that provides information typically required under Federal Rule of Bankruptcy Procedure 6004(f).

18. In the event that a higher and/or better offer is received and accepted for the sale of Lot 39, approval of the sale to the Buyer herein will be deemed to be approval of the sale to the person submitting the higher and/or better offer, with the Notice of Sale providing an itemization of amounts obtained by the Debtor, as well as the Break-Up Fee to the Buyer.

Proposed Disbursements and Treatment of Recorded Liens

16. Following close of the sale of Lot 39, the Debtor anticipates paying from the gross proceeds of the sale the costs of sale, which will include a 6% commission as set forth in the Listing Agreement. Stevens Declaration ¶ 8.

17. Unpaid Property Taxes: The Debtor seeks permission to pay all unpaid property taxes from the sale proceeds as they are secured by Lot 39 pursuant to Utah law.

18. Bankruptcy Cost and Attorney's Fees: The Debtor seeks to withhold \$10,000 for the payment of costs incurred in the bankruptcy including filing fees, Chapter 11 Quarterly Fees, and attorney's fees incurred to date.

19. Deed of Trust of PIB: The Debtor seeks permission to pay PIB the remainder of the funds after paying costs and taxes.

20. Deed with Assignment of Rents of Fairgrounds Industrial Park, LLC: Fairgrounds Industrial Park, LLC has agreed to voluntarily release this deed against Lot 39, and it will remain

of record against the rest of the Property with the same rights and priority, if any, as it had on the Petition Date.

21. Deed of Trust of Dakota Aggregate LLC: The Debtor seeks to sell Lot 39 free and clear of this lien as it is an avoidable transfer under 11 U.S.C. § 544 and the Uniform Fraudulent Transfer Act as adopted in Title 25 Chapter 6 of the Utah Code. Specifically, under Utah Code Ann. §§ 2-6-202(b) and 305(2) a transfer is avoidable if the debtor incurred the obligation without receiving reasonable equivalent value at a time when the Debtor was insolvent. Stevens Declaration ¶ 15. Furthermore, the transfer was made within four (4) years of the Petition Date. *Id.* Debtor was in a bankruptcy at the time of the transfer and did not receive reasonable equivalent value for the transfer as the obligation satisfied by allowing the transfer was an obligation of Brett John³ personally and not that of the Debtor. *Id.*

Notice

22. Notice of this Motion will also be served on all parties in interest in this case.

RELIEF REQUESTED

23. By this Motion, the Debtor seeks the entry of an Order: (a) approving the Sale Agreement; (b) authorizing the sale of Lot 39 pursuant to the Sale Agreement and this Motion out of the ordinary course of business, free and clear of interests, and subject to higher and/or better offers, with valid liens, claims, encumbrances and interests in Lot 39 attaching to the net sale proceeds; (c) authorizing the payment of actual and necessary costs of sale, including a commission to C & W, and outstanding real property taxes; and (d) waiving of the fourteen (14) day appeal period.

³ Mr. John was once a principal of the Debtor prior to transferring his interest to Mr. Stevens.

24. The Debtor believes that the sale of Lot 39 as set forth in the Sale Agreement is fair, reasonable, and in the best interests of the Debtor and the estate.

25. The Debtor thus maintains that this Motion should be granted.

ARGUMENT

The Proposed Sale Should Be Authorized Under 11 U.S.C. § 363(b)

25. The Bankruptcy Code provides that the "trustee, after notice and a hearing, may use, sell, lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Under 11 U.S.C. § 1107(a), a debtor-in-possession "shall have all the rights, ...and powers, and shall perform all the functions and duties, except the duties specified in sections 1106(a)(2), (3), and (4) of this title, of a trustee serving in a case under this chapter."

26. In this case, the Debtor is a real estate developer, and so the Sale is not technically outside the Debtor's ordinary course of business. However, the Debtor believes it is prudent to file this Motion to give all parties notice, and to invoke the powers of 11 U.S.C. § 363(f).

27. In order to approve a sale of assets outside the ordinary course of business, the Debtor must show that:

- a. a sound business reason exists for the sale;
- b. there has been adequate and reasonable notice to interested parties, including full disclosure of the sale terms and the Debtor's relationship with the buyer;
- c. the sale price is fair and reasonable; and
- d. the proposed buyer is proceeding in good faith.

28. The Debtor has met all four parts of this test, and accordingly, respectfully requests that the Court grant this Motion.

Sound Business Purpose

29. Once a debtor articulates a valid business justification, "[t]he business judgment rule 'is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith, and in the honest belief that the action was in the best interests of the company.' " *In re Johns-Manville Corp.*, 60 B.R. 612, 615-616 (Bankr. S.D.N.Y.) ("a presumption of reasonableness attaches to a Debtor's management decisions").

30. The Debtor is a real estate developer and Mr. Steven's has over thirty (30) years of experience and expertise in real estate sales. Stevens Declaration ¶ 11.

31. In the Debtor's business judgment, the Debtor believes that the proposed sale under the Sale Agreement is fair, reasonable, and will maximize the value of the Property, and produce a good-faith purchaser. *Id.* at ¶ 12. The Debtor's opinion is based on several factors, including but not limited to the following:

- a. the length of time the Property has been marketed for sale;
- b. the advice of C & W and those acting under its direction, who have experience in selling land similar to the Property;
- c. the arm's-length nature of the negotiations related to the terms of the Sale Agreement;
- d. the relatively quick closing of the sale; and
- e. the ability of the Debtor to accept higher and/or better offers for Lot 39.

Id.

Notice of the Proposed Sale and Higher and/or Better Offers

32. Adequate and reasonable notice of this Motion and the proposed public sale of Lot 39 will be made to interested parties.

33. Concurrent with the filing of this Motion, the Debtor will serve a Notice of Hearing upon all creditors and parties-in-interest in the above-captioned bankruptcy case and all parties

whose interests might be affected by the sale contemplated herein. The Notice of Hearing provides: (a) a general description of Lot 39; (b) the price that is offered by the Buyer; (c) a statement that the Debtor will accept higher and/or better offers for Lot 39, as well as the procedures for submitting a higher and/or better offer prior to the expiration of the Higher and/or Better Deadline; (d) procedures and the deadline for objecting to the sale of Lot 39; and (e) the date and time of any hearing on this Motion.

34. Debtor will provide notice of the proposed sale to any parties who have expressed an interest in Lot 14. Stevens Declaration ¶ 5.

35. C & W will continue to market Lot 39 for sale through the Higher and/or Better Deadline, and the Debtor will consider competing offers for Lot 39 prior to the expiration of the Higher and/or Better Deadline. Stevens Declaration ¶ 13.

36. Whether an offer is higher and/or better will be determined by the Debtor in its sole and absolute discretion, and to the extent the Debtor receives a competing offer for Lot 39 prior to the Higher and/or Better Deadline that it considers higher and/or better, the Debtor will provide notice to the Buyer of the higher and/or better offer.

37. Such procedures are fair, reasonable, and are intended to obtain the highest and best price for Lot 39 as well as afford notice as required under 11 U.S.C. § 363 and Federal Rules of Bankruptcy Procedure 2002 and 6004.

Fair and Reasonable Price

38. For the reasons set forth above, as well as the fact that the Debtor can accept higher and/or better offers for Lot 39 prior to the expiration of the Higher and/or Better Deadline, the Debtor respectfully submits the proposed sale price for Lot 39 is fair and reasonable.

Good Faith Purchaser

39. The parties' negotiation of the Sale Agreement has been at arms' length and in good faith, and the parties agree that all acts culminating in the closing of the Sale Agreement will likewise be negotiated and conducted through arms' length transactions and in good faith. Stevens Declaration ¶ 14.

40. Although the Bankruptcy Code does not define "good faith," the Tenth Circuit has determined in the context of 11 U.S.C. § 363(m) that a "good faith" purchaser is "one that buys in good faith, and for value." Actions that destroy a purchaser's good faith include "fraud, collusion between the purchaser and other bidders or trustee, or an attempt to take grossly unfair advantage of other bidders."

41. Here, the good faith standard has been met because the Buyer is purchasing the Property in good faith and for fair value as part of a transparent process that affords all parties in interest and potential purchasers the opportunity to make a higher and/or better offer for the purchase of the Property. Additionally, the Buyer is an independent third party that has no connections to the Debtor, and there has been no fraud or collusion between the Buyer and Debtor. Stevens Declaration ¶ 14.

42. Specifically, Lot 39 has been actively marketed for more than eight years. Stevens Declaration ¶ 5. The parties entered into good-faith negotiations relating to the terms of the Sale Agreement. Stevens Declaration ¶ 14. As a result of such negotiations, as well as other factors discussed above, the purchase price represents a fair and reasonable value for Lot 39. Finally, the material terms of the sale are being fully disclosed to the Court and parties in interest, and to the extent any party submits a higher and/or better offer for Lot 39 prior to the expiration of the Higher and/or Better Deadline, the Debtor is able to accept such offer. Accordingly, the Debtor submits

that the proposed sale is an arm's length transaction made to a good faith purchaser and requests that any order authorizing this sale so provide.

43. Accordingly, the Debtor requests that the Court enter an Order granting this Motion and (a) approving the sale under 11 U.S.C. § 363(b) and (m).

The Sale of Lot 14 Free and Clear Pursuant to 11 U.S.C. §363 (f) is Warrented

44. 11 U.S.C. § 363(f) states that a Debtor may sell estate property free and clear of interests, if:

- f. applicable non-bankruptcy law permits the sale of such property free and clear of such interest;
- g. such entity consents;
- h. such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property;
- i. such interest is in bona fide dispute; or
- j. such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

45. Because Section 363(f) is in the disjunctive, the satisfaction of any one of the alternative requirements enumerated therein will warrant the Debtor's proposed sale of the Property free and clear of interests.

46. The Recorded Liens equal an amount greater than the sales price of the Property. However, as set forth above, each of the Recorded Liens is either invalid or in bona fide dispute, or the holder has agreed to this Motion subject to the treatment stated herein, including the payment to PIB from the proceeds of Lot 39 closing. Accordingly, it is appropriate for the Court to approve the Sale, free and clear of all liens, claims and encumbrances, including but not limited to the

Recorded Liens, without the liens attaching to the Sale proceeds. In this manner, the Debtor would pay PIB and the costs of sale, including property taxes.

47. Cause exists to waive the 14-day period set forth in Rule 6004(h) because the Debtor needs to comply with the Sales Agreement and time is of the essence. Furthermore, the Buyer is scheduled to have delivered an industrial building to Lot 39 by March 16, 2018.

The Debtor Should be Authorized to Make Payments

48. The Debtor is requesting authority to pay the costs of sale, including the sales commission and taxes. Based on all of the statements above, the Debtor submits that he should be authorized to do so.

CONCLUSION

WHEREFORE, the Debtor respectfully requests that the Court enter an Order granting the Motion, and:

- A. Approving the Sale Agreement;
- B. Authorizing the sale of Lot 39 to the Buyer or to the person whose higher and/or better offer is accepted by the Debtor free and clear of all interests pursuant to 11 U.S.C. 363(b) and (f);
- C. Finding that the sale of Lot 39 is a good faith sale under 11 U.S.C. § 363(m);
- D. Authorizing the Debtor to pay from the gross sale proceeds the costs of sale, including a 6% commission, outstanding real property taxes, and payment to PIB;
- E. Authorize the Break-Up Fee to the Buyer;
- F. Authorize the waiver of the 14-day appeal period; and
- G. Such other relief as the Court deems just and appropriate.

Dated February 21, 2018.

/s/ Darren Neilson

Darren Neilson
Proposed counsel for Fairgrounds Properties, Inc.

CERTIFICATE OF SERVICE

The undersigned hereby certified that on this 7th day of February, 2018, a true and correct copy of the foregoing **MOTION SEEKING AUTHORITY TO SELL REAL PROPERTY LOCATED IN HURRICANE, UTAH FREE AND CLEAR OF ALL INTERESTS PURSUANT TO 11 U.S.C. § 363, AND TO PAY TAXES AND COSTS OF SALE FROM SALE PROCEEDS** was electronically filed with the United States Bankruptcy Court for the District of Utah CM/ECF filing system and further certifies that the below listed are parties of record in this case, are registered users of CM/ECF, and will be served through the CM/ECF system:

- Justin D. Heideman jheideman@heidlaw.com, wpoulsen@heidlaw.com; sstelmasek@heidlaw.com
- Peter J. Kuhn tr Peter.J.Kuhn@usdoj.gov, James.Gee@usdoj.gov; Lindsey.Huston@usdoj.gov; Suzanne.Verhaal@usdoj.gov
- Brian M. Rothschild brothschild@parsonsbehle.com, ecf@parsonsbehle.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov
- Adelaide Maudsley: amaudsley@kmclaw.com;

Mail Service – By regular first class United States mail, postage fully prepaid, addressed to the following parties:

Dakota Aggregate, LLC
920 S. 920 W.
Hurricane, UT 84737-2507

Washington County Treasurer
197 East Tabernacle
St George, UT 84770-3443

SAVAGE ESPLIN RADMALL PC
20 NORTH MAIN SUITE 402
SAINT GEORGE UT 84770

BRETT JOHN
2519 W 1930 NORTH CIR
SAINT GEORGE UT 84770

/s/ Darren Neilson

EXHIBIT 1

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Email: darren@neilsonlaw.co

Proposed Attorneys for Debtor Fairgrounds Properties, Inc.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re

FAIRGROUNDS PROPERTIES, INC.

Debtor.

Bankruptcy No. 17-29271

Chapter 11

Judge William T. Thurman

**DECLARATION OF ROBERT STEVENS IN SUPPORT OF MOTION SEEKING
AUTHORITY TO SELL REAL PROPERTY (LOT 39) LOCATED IN HURRICANE,
UTAH FREE AND CLEAR OF ALL INTERESTS PURSUANT TO 11 U.S.C. § 363, AND
TO PAY TAXES AND COSTS OF SALE FROM SALE PROCEEDS**

I, Robert Stevens, being of lawful age, declare, certify, verify, and state as follows:

1. I am the president and sole owner of Fairgrounds Properties, Inc. ("**Fairgrounds**" or "**Debtor**").
2. I submit this Declaration in support of the Motion Seeking Authority to Sell Real Property Located in Hurricane, Utah Free and Clear of All Interests Pursuant to 11 U.S.C. § 363, and to Pay Taxes and Costs of Sale From Sale Proceeds (the "**Motion**").
3. I make all of the following statements based on my personal knowledge.

4. In 2007, I, acting as the principal for the Debtor purchased eighty-six (86) acres of real property located in Hurricane, Utah (the "**Property**"). Thereafter the Property was developed into industrial lots and then marketed and sold them for further construction and development by purchasers (the "**Fairgrounds Lots**"). Though various sales over the years, as of the petition date, the Debtor is left with approximately thirty-one (31) acres, which have been divided up into nineteen (19) lots. The Debtor has completed the entire infrastructure of remaining land including; completion of gutters, paved entries and water/sewer.

5. The Property, including Lot 39, has been marketed for private sale since 2008. Originally the Property was listed by N.A.I. but the Debtor entered into a new listing agreement with Cushman & Wakefield ("**C & W**") on April 01, 2014. I have been working with C & W and am familiar with the work they have done to market the Property. C & W has marketed the Property for private sale pursuant to a listing agreement from April 1, 2014.

6. The Property has been actively marketed for private sale including by: (a) creating marketing flyers and postcards; (b) HTML email broadcasts; (c) posting on national real estate website; (d) launching campaigns to real estate brokers and national home builders; (e) engaging the regional economic development community; (t) soliciting targeted category buyers; and (g) otherwise promoting the Property's availability to the national marketplace.

7. On November 02, 2017, I entered into the REPC (the "**Sale Agreement**") to sell Lot 39 to Ron Steele ("**Buyer**") for a total purchase price of \$109,000. A true and correct copy of the Sale Agreement is attached as Exhibit "A."

8. Following close of the sale of Lot 39, the Debtor anticipates paying from the gross proceeds of the sale the costs of sale, which will include a 6% commission to C & W as set forth in the Listing Agreement.

9. There are outstanding property taxes on Lot 39, and I anticipate paying the property taxes out of the gross sale proceeds.

10. Notice of this Motion will be served on all parties in interest in this case.

11. The Debtor is a real estate developer and I have over thirty (30) years of experience and expertise in real estate sales.

12. I believe that the proposed sale under the Sale Agreement is fair, reasonable, and will maximize the value of the Lot 39, and produce a good-faith purchaser. My opinion is based on several factors, including but not limited to the following:

- a. the length of time the Property has been marketed for sale;
- b. the advice of C & W and those acting under its direction, who have experience in selling land similar to the Property;
- c. the arm's-length nature of the negotiations related to the terms of the Sale Agreement;
- d. the relatively quick closing of the sale; and
- e. the ability of the Debtor to accept higher and/or better offers for Lot 14.

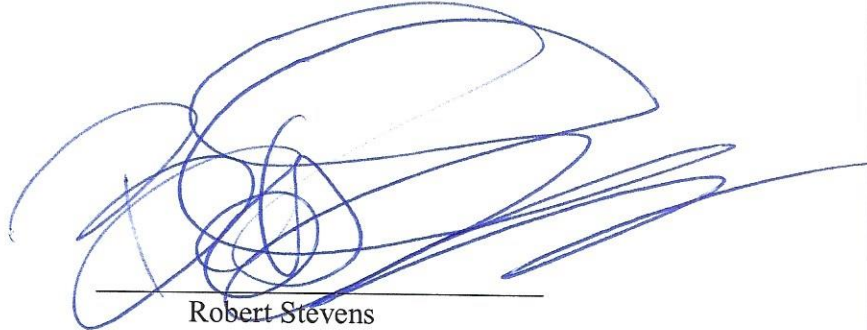
13. C & W will continue to market Lot 39 for sale through the Higher and/or Better Deadline, and the Debtor will consider competing offers for Lot 39 prior to the expiration of the Higher and/or Better Deadline.

14. Buyer is an independent third party that has no connections to the Debtor, and there has been no fraud or collusion between the Buyer and Debtor

15. The Debtor incurred the obligation to Dakota Aggregate, LLC in February of 2014. At the time the two principals of the Debtor were myself and my son-in-law, Brett John. Dakota Aggregate, LLC had obtained a judgment against Mr. John personally based on a

previous business venture between Dakota Aggregate, LLC and Mr. John. In satisfaction of the judgment against Mr. John, Dakota Aggregate, LLC was allowed to record a lien against the Property. The Debtor did not any value in consideration for the transfer. At the time of the transfer, the Debtor was operating as a debtor-in-possession under a confirmed plan of reorganization and was insolvent.

DATED this 5th of February 2018.



Robert Stevens

EXHIBIT A

Escrow Agent: Brad Seegmiller - Utah Lic #: 73873
20 N. Main Street #300, St. George, UT 84770
(435) 652-4829 brad@sutc.com



COMMITMENT FOR TITLE INSURANCE

SCHEDULE A

SUTC File No. 197783
Page No. 1

**OWNERS POLICY (COMMERCIAL) PREMIUM:
\$401.00**

1. Effective Date: **January 29, 2018 at 7:00AM**

2. Policy or Policies to be issued:	Amount
(a)[] Owners Policy (Commercial) Proposed Insured: Ronald W. Steele	\$109,000.00

3. The estate or interest in the land described or referred to in this Commitment is **FEE SIMPLE**.

4. Title to the land estate or interest in the land is at the Effective Date vested in:

Fairgrounds Properties, Inc., A Utah Corporation

5. The land referred to in this Commitment is situated in the County of Washington, State of Utah, and described as follows:

Lot Thirty-Nine (39), FAIRGROUNDS INDUSTRIAL PARK, according to the Official Plat thereof, on file in the Office of the Recorder of Washington County, State of Utah.

NOTE: The names above have been checked for Judgements and any matters thereon are shown on Schedule "B" of this Commitment.

**The address of said Vacant Commercial Property:
(Not Yet Addressed / Unimproved Land), Hurricane, Utah 84737**

Countersigned: _____

Southern Utah Title Company
Authorized Officer or Agent for

Old Republic National Title Insurance Company

Schedule B - Section 1 "Requirements"

1. Pay the agreed amounts for interest in the land and/or the mortgage or deed of trust to be insured.
2. Pay us the premiums, fees and charges for the policy. In the event the transaction for which this commitment is furnished cancels, the minimum cancellation fee will be \$120.00.
3. Provide us with releases, reconveyances or other instruments, acceptable to us, including payment of any amounts due, removing the encumbrances shown in Schedule B - Section 2 that are objectionable to the proposed insured.
4. Provide us with copies of appropriate agreements, resolutions, certificates, or other evidence needed to identify the parties authorized to execute the documents creating the interest to be insured.
5. The documents creating the interest to be insured must be signed, delivered and recorded.
6. You must tell us in writing the name of anyone not referred to in this Commitment who will receive an interest in, or who will make a loan secured by a deed of trust or mortgage secured by, the land described in this Commitment.
7. Upon receipt and review of the necessary information listed in these requirements and related to this transaction, we reserve the right to add requirements to this Schedule or add special exceptions in Schedule B - Section 2.
8. Provide us with any information regarding personal property taxes which may have been assessed or are due and payable which could become a lien on the real property.
9. This Company will require the following, if necessary, to insure a loan by or conveyance from, the entity named herein: A. A copy of the Partnership Agreement, Articles of Organization, Operating Agreement and Corporation Resolution, together with all supplements or amendments thereto. B. Evidence that the entity is in good standing in the State where it was formed. C. A copy of the Trust Agreement and any amendments thereto.
10. Require assessment check with the existing Municipality and proof of full satisfaction that all Special Improvement Districts and/or Special Service Districts affecting said property be paid in full or paid current.
11. Payment of Delinquent Taxes, including penalties and interest as shown on Schedule B - Section 2. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
12. Require satisfactory evidence that the Special Service Districts (SSDS) shown on Schedule B - Section 2, be paid current and/or paid in full.
13. Release, Reconveyance, Satisfaction of the Trust Deed With Assignment of Rents (Corporate Form), recorded as Doc. No. [20070017678](#) , as shown on Schedule B - Section 2. (Affects this and other property)
14. Release, Reconveyance, Satisfaction of the Deed of Trust, recorded as Doc. No. [20080048001](#) , as shown on Schedule B - Section 2. (Affects this and other property)
15. Release, Reconveyance, Satisfaction of the Deed of Trust, recorded as Doc. No. [20140005359](#) , as shown on Schedule B - Section 2. (Affects this and other property)
16. Require an Order Approving Sale or an Order Granting Relief From The Automatic Stay or an Order Discharging Debtor under Bankruptcy Case No. 17-29271, as shown on Schedule B - Section 2.

SCHEDULE "B" - CONTINUED

17. Provide Insurer with a copy of the Articles of Incorporation for Fairgrounds Properties, Inc., A Utah Corporation, together with verification of their current corporate status.

Title Search License #TAP-116204

SCHEDULE "B" - CONTINUED
Schedule B - Section 2 "Exceptions"

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

The following is a list of exceptions that effect title to the herein described property:

1. Any facts, rights, interests, or claims which are not shown by the public records but which could be by an inspection of the land or which may be asserted by persons in possession, or claiming be in possession, thereof.
2. Easements, liens, encumbrances, or claims thereof, which are not shown by the public records.
3. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey of the land would disclose, and which are not shown by the public records.
4. Any lien, or right to a lien, imposed by law for services, labor, or material heretofore or hereafter furnished, which lien, or right to a lien, is not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) Indian treaty or aboriginal rights, including, but not limited to, easements or equitable servitudes; or, (d) water rights, claims or title to water, whether or not the matters excepted under (a), (b), (c) or (d) are shown by the public records.
6. Taxes or assessments which are not now payable or which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
7. Any service, installation, connection, maintenance or construction charges for sewer, water, electricity, or garbage collection or disposal or other utilities unless shown as an existing lien by the public records.
8. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the records or attaching subsequent to the effective date hereof but prior to the date the proposed acquires of record for value the estate or interest or mortgage thereon covered by this Commitment.
9. Claim, right, title or interest to water or water rights whether or not shown by the Public Records.
10. Rights of way for any roads, ditches, canals, or transmission lines now existing over, under, or across said property.
11. Taxes for the current year 2018 which are liens, but not yet due or payable.
12. Taxes for the year 2017, in the amount of \$1,159.82, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
13. Taxes for the year 2016, in the amount of \$945.98, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
14. Taxes for the year 2015, in the amount of \$1,221.23, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact

NOTE: EXCEPTIONS 1-8 WILL NOT APPEAR IN ANY EXTENDED POLICY AND EXCEPTIONS 1-10 WILL NOT APPEAR IN ANY EXTENDED LOAN POLICY TO BE ISSUED HEREUNDER.

ALTA Commitment
Schedule B - Section 2
Form 1004-133

SCHEDULE "B" - CONTINUED

the Washington County Treasurer's Office at #435-634-5711)

15. Taxes for the year 2014, in the amount of \$1,291.41, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
16. Taxes for the year 2013, in the amount of \$1,374.38, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
17. Taxes for the year 2012, in the amount of \$1,462.69, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
18. Taxes for the year 2011, in the amount of \$1,474.08, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
19. Taxes for the year 2010, in the amount of \$1,991.19, plus penalties, interest and costs, which are liens, now delinquent, due and payable. Tax Serial No. H-FAIR-39. (For a current payoff contact the Washington County Treasurer's Office at #435-634-5711)
20. Liability to Assessments levied by the Ash Creek Special Service District, as disclosed by Instrument recorded October 16, 1985, as Entry No. [283078](#), in Book 390, at Pages 907-916, Official Washington County Records. (Affects this and other property)
21. Subject to Right-Of-Way Grant/Temporary Use Permit, dated SEPTEMBER 8, 1988, in favor of MOUNTAIN FUEL SUPPLY COMPANY, for right to construct, operate, maintain, and terminate a Natural Gas Pipeline, and rights incidental thereto, as set forth in Instrument, recorded MAY 27, 1997, as Entry No. [566876](#), in Book 1103, at Pages 186-209, Official Washington County Records, said right-of-way or permit granted herein is 50.0 feet wide, 73,318.0 feet long and crosses through Lot 5, Section 3, Township 42 South, Range 14 West, Salt Lake Base and Meridian. (General Easement - Exact location un-defined) (Affects this and other property)
22. Exceptions and Reservations, and rights incidental thereto, as reserved by the United States of America by Patent No. 43-98-0011, recorded February 4, 1998, as Entry No. [590572](#), in Book 1174, at Pages 838-839, Official Washington County Records, and wherein it recites in part as follows: (Affects this and other property)

"EXCEPTING AND RESERVING TO THE UNITED STATES:

1. A right-of-way thereon for ditches or canals constructed by the authority of the United States, Act of August 30, 1890 (43 U.S.C. 945).

SUBJECT TO:

1. Those rights for a sewage pipeline and access road, granted to Hurricane City, its successors and assigns, by right-of-way number UTU-44040, pursuant to the Act of October 21, 1976, (90

SCHEDULE "B" - CONTINUED

Stat. 2776, 43 U.S.C. 1761), as to lot 20, section 30, T. 41 S., R. 13 W.; and

2. Those rights for a natural gas pipeline, granted to Questar Gas, its successors and assigns, by right-of-way number UTU-62308, pursuant to the Act of October 21, 1976, (90 Stat. 2776, 43 U.S.C. 1761), as to lot 5, section 3, T. 42 S., R. 14 W."

23. Subject to easements, notes, restrictions, reservations, any and all other matters as set forth and disclosed on the Official Plat of "FAIRGROUNDS INDUSTRIAL PARK", Official Washington County Records.
24. The Effect of the Covenants, Conditions and Restrictions in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, recorded April 26, 2007, as Doc. No. [20070021390](#) , Official Washington County Records.
25. Trust Deed With Assignment of Rents (Corporate Form), executed by FAIRGROUNDS PROPERTIES, INC., A Utah Corporation, as TRUSTOR, to SOUTHERN UTAH TITLE COMPANY, as TRUSTEE, in favor of FAIRGROUNDS INDUSTRIAL PARK, LLC, a Utah Limited Liability Company, as BENEFICIARY, to secure the payment of \$3,956,184.35 and interest, recorded April 6, 2007, as Doc. No. [20070017678](#) , Official Washington County Records. (Affects this and other property)

Subordination Agreement, executed by FAIRGROUNDS INDUSTRIAL PARK, LLC, a Utah Limited Liability Company, to TOWN AND COUNTRY BANK, recorded December 19, 2008, as Doc. No. [20080048002](#) , Official Washington County Records, State of Utah, subordinating the lien of said Deed of Trust to the lien of the Deed of Trust recorded at Doc. No. [20080048001](#) , Official Washington County Records.

26. Deed of Trust, dated December 17, 2008, executed by FAIRGROUNDS PROPERTIES, INC., as TRUSTOR, in favor of TOWN & COUNTRY BANK, as TRUSTEE and BENEFICIARY, to secure the payment of \$1,380,000.00 and interest, recorded December 19, 2008, as Doc. No. [20080048001](#) , Official Washington County Records. (Affects this and other property)

Notice of Default and Election to Sell, under the terms of said Deed of Trust recorded on December 23, 2010, as Doc No. [20100043324](#) , Official Washington County Records. (Affects Lots 7, 14, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41 and 42).

Substitution of Trustee, recorded January 4, 2011, as Doc No. [20110000228](#) , Official Washington County Records, State of Utah, wherein H. STUART RIPPLINGER, a member of the Utah State Bar is designated as Successor Trustee under said Deed of Trust.

Substitution of Trustee, recorded January 4, 2011, as Doc No. [20110000232](#) , Official Washington County Records, State of Utah, wherein JUSTIN D HEIDEMAN, a member of the Utah State Bar is designated as Successor Trustee under said Deed of Trust.

SCHEDULE "B" - CONTINUED

Notice of Trustee's Sale, wherein H. STUART RIPPLINGER, a member of the Utah State Bar, Trustee, gives notice that the land will be sold at public auction, for the purpose of foreclosing a Deed of Trust, on May 10, 2011, recorded April 7, 2011, as Doc. No. [20110010773](#) , Official Washington County Records.

Substitution of Trustee, recorded November 12, 2014, as Doc No. [20140034566](#) , Official Washington County Records, State of Utah, wherein KIMBALL A. FORBES, of the law firm of Clarkson, Draper & Beckstrom, LLC is designated as Successor Trustee under said Deed of Trust. (Affects Lots 7, 14, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41 and 42).

Substitution of Trustee, recorded June 16, 2017, as Doc No. [20170024817](#) , Official Washington County Records, State of Utah, wherein P. ROWLAND GRAFF, of the law firm of Clarkson & Associates, LLC is designated as Successor Trustee under said Deed of Trust. (Affects Lots 14, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42 and 44)

Notice of Default and Election to Sell, under the terms of said Deed of Trust recorded on June 16, 2017, as Doc No. [20170024819](#) , Official Washington County Records. (Affects Lots 14, 22, 23, 24, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42 and 44)

27. Trust Deed, dated February 21, 2014, executed by FAIRGOUNDS PROPERTIES INC., as TRUSTOR, to SOUTHERN UTAH TITLE COMPANY, as TRUSTEE, in favor of DAKOTA AGGREGATE LLC, a Utah Limited Liability Company, as BENEFICIARY, to secure the payment of \$300,000.00 and interest, recorded February 24, 2014, as Doc No. [20140005359](#) , Official Washington County Records. (Affects this and other property)
28. Liability to Assessments levied by the Board of County Commissioners of Washington County, Utah, creating and establishing a Special Service District ("Hurricane Valley Fire Special Service District") to provide for fire protection, paramedic services, and ambulance services, as disclosed by Resolution No. R-2007-1203, recorded December 22, 2009, as Doc. No. [20090048182](#) , Official Washington County Records. (Affects this and other property)

A Resolution Amending the Boundary of the Hurricane Valley Fire Special Service District, recorded March 1, 2010, as Doc. No. [20100006648](#) , Official Washington County Records.

2nd Amended Hurricane Valley Fire Special Service District, recorded December 30, 2010, as Doc. No. [20100044122](#) , Official Washington County Records.

Resolution No. R-2015-1946, A Resolution Amending the Boundary of the Hurricane Valley Fire Special Service District to include the Corporate Limits of the City of Hurricane, recorded November 9, 2015, as Doc. No. [20150039260](#) , Official Washington County Records and Hurricane Valley Fire District 3rd Amended, recorded November 9, 2015, as Doc. No. [20150039261](#) , Official Washington County Records.

Hurricane Valley Fire District 4th Amended, Extended & Clarified, recorded December 14, 2015, as Doc. No. [20150043173](#) , Official Washington County Records.

SCHEDULE "B" - CONTINUED

29. Proceedings pending in the Bankruptcy Court of the U.S. District Court, Utah, entitled in re: FAIRGROUNDS PROPERTIES, INC., as Debtor, who's Attorney being DARREN B. NEILSON AND PETER J. KUHN as Trustee in Case No. 17-29271, wherein a petition for relief was filed on October 25, 2017.

Note: Notwithstanding anything to the contrary in this Commitment, if the policy to be issued is other than an ALTA Owner's Policy (6/17/06) or ALTA Loan Policy (6/17/06), the policy may not contain an arbitration clause, or the terms of the arbitration clause may be different from those set forth in this Commitment. If the policy does contain an arbitration clause, and the Amount of Insurance is less than the amount, if any, set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.

* A search and examination fee of not less than \$120.00 and not more than 50% of the proposed premium will be charged. This amount will be wholly credited against title insurance fees should Southern Utah Title Company issue a policy.



Commitment for Title Insurance

Issued By Old Republic National Title Insurance Company

Old Republic National Title Insurance Company, a Minnesota corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

All liability and obligation under this Commitment shall cease and terminate six (6) months after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The company will provide a sample of the policy form upon request.

IN WITNESS WHEREOF, Old Republic National Title Insurance Company has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

Issued through the Office of:

OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY
A Stock Company
400 Second Avenue South, Minneapolis, Minnesota 55401
(612) 371-1111

By

President

Attest

Secretary

Authorized Signature

CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions and Stipulations.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and Stipulations and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties.
You may review a copy of the arbitration rules at: <http://www.alta.org/>.
6. Consider the following if this commitment includes a Homeowner's Policy:
The Homeowner's policy of title insurance committed to be issued will contain Deductible Amounts and Liability Limits relative to Covered Risks as follows:
 - Covered Risk 16** (Subdivision Law Violations) has a deductible of 1% of the Policy Amount or \$5,000, whichever is lesser, and a Maximum Dollar Limit of Liability of \$25,000.
 - Covered Risk 18** (Building Permits) has a deductible of 1% of the Policy Amount or \$5,000, whichever is lesser, and a Maximum Dollar Limit of Liability of \$25,000.
 - Covered Risk 19** (Zoning) has a deductible of 1% of the Policy Amount or \$5,000, whichever is lesser, and a Maximum Dollar Limit of Liability of \$25,000.
 - Covered Risk 21** (Encroachment of Boundary Walls or Fences) has a deductible of 1% of the Policy Amount or \$5,000, whichever is lesser, and a Maximum Dollar Limit of Liability of \$25,000.



rev. 07/2016

FACTS

WHAT DOES OLD REPUBLIC TITLE DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> • Social Security number and employment information • Mortgage rates and payments and account balances • Checking account information and wire transfer instructions <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Old Republic Title chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Old Republic Title share?	Can you limit this sharing?
For our everyday business purposes — such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes — to offer our products and services to you	No	We don't share
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes — information about your transactions and experiences	Yes	No
For our affiliates' everyday business purposes — information about your creditworthiness	No	We don't share
For our affiliates to market to you	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions

Go to www.oldrepublictitle.com (Contact Us)

Who we are

Who is providing this notice?

Companies with an Old Republic Title name and other affiliates. Please see below for a list of affiliates.

What we do

How does Old Republic Title protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. For more information, visit <http://www.OldRepublicTitle.com/newnational/Contact/privacy>.

How does Old Republic Title collect my personal information?

We collect your personal information, for example, when you:

- Give us your contact information or show your driver's license
- Show your government-issued ID or provide your mortgage information
- Make a wire transfer

We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- Sharing for affiliates' everyday business purposes - information about your creditworthiness
- Affiliates from using your information to market to you
- Sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing. See the "Other important information" section below for your rights under state law.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Our affiliates include companies with an Old Republic Title name, and financial companies such as Attorneys' Title Fund Services, LLC, Lex Terrae National Title Services, Inc., Mississippi Valley Title Services Company, and The Title Company of North Carolina.*

Non-affiliates

Companies not related by common ownership or control. They can be financial and non-financial companies.

- *Old Republic Title does not share with non-affiliates so they can market to you*

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- *Old Republic Title doesn't jointly market.*

Other Important Information

Oregon residents only: We are providing you this notice under state law. We may share your personal information (described on page one) obtained from you or others with non-affiliate service providers with whom we contract, such as notaries and delivery services, in order to process your transactions. You may see what personal information we have collected about you in connection with your transaction (other than personal information related to a claim or legal proceeding). To see your information, please click on "Contact Us" at www.oldrepublictitle.com and submit your written request to the Legal Department. You may see and copy the information at our office or ask us to mail you a copy for a reasonable fee. If you think any information is wrong, you may submit a written request online to correct or delete it. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement.

Affiliates Who May be Delivering This Notice

American First Abstract, LLC	American First Title & Trust Company	American Guaranty Title Insurance Company	Attorneys' Title Fund Services, LLC	Compass Abstract, Inc.
eRecording Partners Network, LLC	Genesis Abstract, LLC	Kansas City Management Group, LLC	L.T. Service Corp.	Lenders Inspection Company
Lex Terrae National Title Services, Inc.	Lex Terrae, Ltd.	Mara Escrow Company	Mississippi Valley Title Services Company	National Title Agent's Services Company
Old Republic Branch Information Services, Inc.	Old Republic Diversified Services, Inc.	Old Republic Exchange Company	Old Republic National Title Insurance Company	Old Republic Title and Escrow of Hawaii, Ltd.
Old Republic Title Co.	Old Republic Title Company of Conroe	Old Republic Title Company of Indiana	Old Republic Title Company of Nevada	Old Republic Title Company of Oklahoma
Old Republic Title Company of Oregon	Old Republic Title Company of St. Louis	Old Republic Title Company of Tennessee	Old Republic Title Information Concepts	Old Republic Title Insurance Agency, Inc.
Old Republic Title, Ltd.	Republic Abstract & Settlement, LLC	Sentry Abstract Company	The Title Company of North Carolina	Title Services, LLC
Trident Land Transfer Company, LLC				

SOUTHERN UTAH TITLE COMPANY

July 1, 2001

We recognize and respect the privacy expectations of today's consumers and the requirements of applicable federal and state privacy laws. We believe that making you aware of how we use your non-public personal information ("Personal Information"), and to whom it is disclosed, will form the basis for a relationship of trust between us and the public that we serve. This Privacy Statement provides that explanation. We reserve the right to change this Privacy Statement from time to time consistent with applicable privacy laws.

In the course of our business, we may collect Personal Information about you from the following sources:

- From applications or other forms we receive from you or your authorized representative;
- From your transactions with, or from the services being performed by, us, our affiliates, or others;
- From our Internet web sites;
- From the public records maintained by governmental entities that we either obtain directly from those entities, or from our affiliates or others; and
- From consumer or other reporting agencies

Our Policies Regarding the Protection of the Confidentiality and Security of Your Personal Information

We maintain physical, electronic and procedural safeguards to protect your Personal Information from unauthorized access or intrusion. We limit access to the Personal Information only to those employees who need such access in connection with providing products or services to you or for other legitimate business purposes.

Our Policies and Practices Regarding the Sharing of Your Personal Information

We may share your Personal Information with our affiliates, such as insurance companies, agents, and other real estate settlement service providers. We also may disclose your Personal Information:

- to agents, title companies, exchange companies, appraisers, brokers or representative to provide you with services you have requested;
- to third-party contractors or service providers who provide services or perform marketing or other functions on our behalf; and
- to others with whom we enter into joint marketing agreements for products or services that we believe you may find of interest.

In addition, we will disclose your Personal Information when you direct or give us permission, when we are required by law to do so, or when we suspect fraudulent or criminal activities. We also may disclose your Personal Information when otherwise permitted by applicable privacy laws such as, for example, when disclosure is needed to enforce our rights arising out of any agreement, transaction or relationship with you.

One of the important responsibilities is to record documents in the public domain. Such documents may contain your Personal Information.

Right to Access Your Personal Information and Ability To Correct Errors Or Request Changes or Deletion

Certain states afford you the right to access your Personal Information and, under certain circumstances, to find out to whom your Personal Information has been disclosed. Also, certain states afford you the right to request correction, amendment or deletion of your Personal Information. We reserve the right, where permitted by law, to charge a reasonable fee to cover the costs incurred in responding to such requests.

All requests must be made in writing to the following address:

Privacy Compliance Officer
Southern Utah Title Company
20 North Main #403, St. George, UT 84770

Multiple Products or Services

If we provide you with more than one financial product or service, you may receive more than one privacy notice from us. We apologize for any inconvenience this may cause you.

EXHIBIT B



PURCHASE AND SALE AGREEMENT FOR COMMERCIAL REAL ESTATE

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

FUNDAMENTAL TERMS OF OFFER TO PURCHASE UNIMPROVED LAND

"REFERENCE DATE": January 24, 2018

"SELLER": Fairgrounds Properties Inc

With Notices to be given at: Street Address 2 W St. George Blvd, Suite 10

City, State, Zip Code St. George, UT 84770

Fax, Email (435) 673-7153, tcallister@comre.com

"BUYER": Ron Steele and/or assigns

With Notices to be given at: Street Address 2 W St. George Blvd, Suite 10

City, State, Zip Code St. George, UT 84770

Fax, Email (435) 673-7153, tparry@comre.com

"PROPERTY": Name/General Description:

Address: Fairgrounds Industrial Park, Lot 39

City: Hurricane

County: Washington

Utah, Zip: 84737

County Tax Parcel #: H-FAIR-39

Source of legal description (check applicable box):

☒ TITLE COMMITMENT (See Section 8(a))

☐ SURVEY (See Survey Addendum, if applicable)

The Property also includes certain rights and interests described in Section 2.

"DEED": ☒ General Warranty Deed ☐ Special Warranty Deed ☐ Other _____

"TITLE POLICY": ☒ Standard Coverage ☐ Extended Coverage

"PURCHASE PRICE": \$ 109,000

"EARNEST MONEY DEPOSIT": \$ 2,500 in the form of: ☐ Wire Transfer

☒ Buyer's Check to be deposited with ☐ Buyer's Brokerage ☒ Title Company/Escrow Agent ☐ Other _____

Buyer agrees to deliver the Earnest Money Deposit no later than four (4) calendar days after Acceptance (as defined in Section 23). The Brokerage or Other depository shall deposit the Earnest Money into the Real Estate Trust Account no later than four (4) calendar days from receipt.

"SELLER DISCLOSURE DEADLINE": (Date) 10 days after acceptance

"DUE DILIGENCE DEADLINE": (Date) 30 days after acceptance

"SETTLEMENT DEADLINE": (Date) 7 days after Due Diligence Deadline

"SELLER'S AGENT": Tom Callister

"SELLER'S BROKERAGE": Commerce Real Estate Solutions

"BUYER'S AGENT": Travis Parry

"BUYER'S BROKERAGE": Commerce Real Estate Solutions

"MEDIATION": Seller and Buyer ☒ DO ☐ DO NOT elect to mediate in accordance with the provisions of Section 15. [check box] **ADDITIONAL TERMS:** There ☐ ARE ☒ ARE NOT addenda to this PSA containing additional terms. If there are, the terms of the following (each, an "Addendum" or collectively, the "Addenda") are incorporated into this PSA by this reference: [check box]

☐ Seller Financing

☐ Financing Contingency

☐ ALTA Survey

☐ Assumption of Financing

☐ Other Addendum

Seller's Initials RS Date 1/30/2018

Buyer's Initials RS Date 1/26/2018

Document Page 39 of 48
OFFER TO PURCHASE

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

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

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

4. **SETTLEMENT AND CLOSING.** Settlement shall take place on the Settlement Deadline or on another date upon which the Parties agree in writing. "Settlement" shall be deemed to have occurred only when all of the following have been fully completed: (a) Buyer and Seller have signed and delivered to the Escrow Agent all documents required by this PSA, by any lender, or by Applicable Law; (b) any monies required to be paid by Buyer under this PSA (except for the proceeds of any new loan) have been delivered by Buyer to the Escrow Agent; and (c) any monies required to be paid by Seller under this PSA have been delivered by Seller to the Escrow Agent. Seller and Buyer shall each pay one-half (1/2) of the fee charged by the Escrow Agent for its services in the Settlement and Closing. Taxes and assessments for the current year, rents, association dues, utilities and charges accrued under contracts relating to the Property and assumed by Buyer, operating expenses relating to the Property and interest on any assumed obligations shall be prorated as of 11:59 p.m. on the day prior to Settlement unless otherwise agreed to in a settlement statement or other writing executed by the Parties. Tenant deposits (including, but not limited to, security deposits and prepaid rents) shall be paid or credited by Seller to Buyer at Settlement. "Closing" means consummation of the transaction contemplated by this PSA and shall be deemed to have occurred only when: (a) Settlement has been completed; (b) the proceeds of any new loan have been delivered by the lender to the Escrow Agent; and (c) the applicable Closing documents have been recorded in the Official Records of the County Recorder of the County in which the Property is located. If a lender is funding a portion of the Purchase Price, loan proceeds must be delivered to Escrow Agent not later than the end of the third (3rd) Business Day following completion of Settlement or Buyer shall be in default.

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

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

7. **DEED AND TITLE INSURANCE.**

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

7.2 **Title Policy.** At Settlement, Seller agrees to pay for the Title Policy specified in the Fundamental Terms, in the amount of the Purchase Price insuring title to the Property to Buyer subject only to the Permitted Exceptions (the "Title Policy"). Buyer, at its sole option, cost and expense, may elect to obtain additional coverage or additional specific endorsements. Notwithstanding anything the PSA to the contrary, in no event shall Seller be required to pay more than twice the cost of a standard title insurance policy (exclusive of endorsements) for an extended title insurance policy.

8. **SELLER DISCLOSURES.** No later than the Seller Disclosure Deadline, Seller shall provide to Buyer the following at Seller's sole cost and expense (the "Seller Disclosures"):

Seller's Initials RS Date 1/30/2018

Buyer's Initials DS RS Date 1/26/2018

- (a) a preliminary title commitment (the "**Title Commitment**") from a title company selected by Seller (the "**Title Company**"), together with a copy of each instrument, agreement or document listed as an exception to title in such Title Commitment;
- (b) a true and correct copy of all leases, management agreements and contracts affecting the Property;
- (c) a Seller property condition disclosure for the Property signed and dated by Seller;
- (d) all copies in Seller's possession of studies and/or reports which have previously been performed in connection with or for the Property, including without limitation, environmental reports, soils studies, seismic studies, physical inspection reports, site plans and surveys, and identification of such studies of which Seller is aware but that are not in Seller's possession;
- (e) all copies of written notices relating to a violation of Applicable Law including, without limitation, Environmental Law and laws relating to land use, zoning or compliance with building codes;
- (f) evidence of any water rights and/or water shares used in connection with the Property; and
- (g) all other documents described as Seller's Disclosures in any Addenda or Counteroffers to this PSA.

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

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

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

9.2 Inspection. In conducting its Due Diligence prior to the Due Diligence Deadline, and at any time thereafter until Settlement, Buyer may, upon reasonable notice and at reasonable times, conduct inspections, appraisals and for tests on the Property. Buyer shall enter to conduct such inspections and tests on the Property only during reasonable hours and with reasonable prior notice to Seller. Seller shall have the right to accompany Buyer and any of its agents on the Property at all times. All inspections and tests shall be conducted in a manner that does not unreasonably disrupt the activities and business of Seller and its tenants, and Buyer shall indemnify, hold harmless and defend Seller, its tenants and their employees, invitees and guests from and against any and all liabilities, claims, actions or damages (including reasonable attorneys' fees and court costs) which arise from, are caused by, or are in any manner connected with Buyer's Due Diligence and caused by or arising from the actions of Buyer, including, without limitation, claims for payment for inspection services, claims for mechanic's liens, claims for physical damage to the Property and claims from personal injury.

9.3 Buyer's Right to Cancel or Resolve Objections.

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

(b) **Failure to Respond.** If Buyer does not timely take either of the actions described in Section 9.2, then the results of the Buyer's Due Diligence shall be deemed approved by Buyer, all Objections which Buyer could have asserted shall be deemed waived by Buyer and, unless another condition or contingency set forth in an Addendum or Counteroffer remains unsatisfied, the Earnest Money Deposit shall become nonrefundable except in the event of Seller's default.

(c) **Response by Seller.** If Buyer timely provides Objections to Seller, Buyer and Seller shall have five (5) business days after Seller's receipt of the Objections (the "**Response Period**") in which to agree in writing upon the manner of resolving the Objections. Seller may, but shall not be required to, resolve the Objections. If Buyer and Seller have not agreed in writing upon the manner of resolving the Objections prior to the expiration of the Response Period, Buyer may cancel this PSA by delivering written notice to Seller not later than five (5) days after the end of the Response Period (the "**Termination Date**"); whereupon the Earnest Money Deposit shall be released to Buyer and neither Party shall have any further rights, obligations or liabilities under this PSA except as expressly set forth herein. If this PSA

Seller's Initials RS Date 1/30/2018

Buyer's Initials RS Date 1/26/2018

is not canceled by Buyer under this Section, the Objections shall be deemed waived by Buyer and the Earnest Money Deposit shall become nonrefundable except upon Seller's default. If the Response Period extends past the Settlement Deadline, the Settlement Deadline shall be extended to the date that is five (5) business days following the extended Termination Date. If the Termination Date extends past the Settlement Deadline, the Settlement Deadline shall be extended to the date that is five (5) business days following such Termination Date.

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

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

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

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

(d) Neither Seller nor, to Seller's knowledge, any other Person, has ever caused or permitted any Hazardous Material to be placed, held, located, released or disposed of on, under, or at the Property or any part thereof in violation of Applicable Law and, to Seller's knowledge, no Hazardous Material is located on, under or at the Property in violation of Applicable Law;

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

(f) Seller is not a "foreign person" as that term is defined in Code Section 1445 and shall deposit with Escrow Agent at or prior to Settlement, an affidavit in such form as may be required by the U.S. Internal Revenue Service, setting forth Seller's full name, address and taxpayer identification number and stating under penalty of perjury that Seller is not a "foreign person" as so defined.

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

(h) Except as set forth in this Section, there are no leases, use agreements or similar agreements in effect with respect to the Property giving any third party the right to possession of the Property: _____

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

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

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

12. CHANGES PENDING CLOSING. Between the Effective Date and the date of Closing, and except as and to the extent otherwise permitted by an Addendum hereto, Seller: (a) shall (i) comply with all Applicable Law, and (ii) continue and maintain all current casualty and liability insurance policies on the Property; and (b) shall not (i) execute any lease affecting the Property except as set forth in any Addendum attached hereto; (ii) create or suffer to be created any further Monetary Lien against the Property; (iii) make any substantial alterations or improvements to the Property; and (iv) except for the usage and storage of normal and customary amounts of Hazardous Material found in cleaning and

Seller's Initials RS Date 1/30/2018

Buyer's Initials RS Date 1/26/2018

maintenance supplies stored and used in compliance with Environmental Law, shall not use, produce, process, manufacture, generate, treat, handle, store, release or dispose of any Hazardous Material in, on or under the Property.

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

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

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

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

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

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

19. ABROGATION. Except for the provisions of Sections 7, 9.2, 14, 15 and 16 and any other provisions of this PSA which expressly survive the termination of this PSA, the provisions of this PSA shall not be enforceable after Closing.

20. RISK OF LOSS; EMINENT DOMAIN. All risk of loss to the Property, including physical damage or destruction to the Property or its improvements due to any cause except ordinary wear and tear and loss caused by a taking in eminent domain, shall be borne by Seller until Closing. In the event of any destruction exceeding five percent (5%) of the Purchase Price or any taking or commencement of a taking by any governmental agency of a material portion of the Property, Buyer may, at Buyer's sole discretion, terminate this PSA by written notice to Seller within ten (10) days of notice of the commencement of taking or event of destruction, in which event all the Earnest Money Deposit, together with any interest accrued thereon, shall be promptly refunded to Buyer. If Buyer does not terminate this PSA, the insurance or condemnation proceeds, or right to collect the same, shall be paid or assigned to Buyer at Closing.

21. TIME IS OF THE ESSENCE. Time is of the essence regarding the dates set forth in this PSA, and any extension of the time for performance of any obligation or satisfaction of any condition must be agreed to in writing by all

Seller's Initials RS Date 1/30/2018

Buyer's Initials RS Date 1/26/2018

Parties. Unless otherwise explicitly stated in this PSA: (a) performance under this PSA which references a date shall absolutely be required by 5:00 P.M. Mountain Time on the stated date; and (b) the term “**days**” shall mean calendar days and shall be counted beginning on the day following the event which triggers the timing requirement (i.e., delivery of a specified notice, etc.). If the date for performance falls, or the deadline expires on a day which is not a Business Day, performance shall be required or the deadline shall expire on the next Business Day thereafter. Performance dates and times referenced herein shall not be binding upon title companies, lenders, appraisers and other Persons which are not Parties, except as otherwise agreed to in writing by such Persons.

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

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

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

25. 1031 EXCHANGE. Each Party shall cooperate with the other Party in effecting an exchange under Code Section 1031; provided however, that the other Party’s cooperation shall be conditioned on the following: (a) the exchange will be at no additional liability and cost to the other Party; (b) the exchange will not delay Settlement or Closing; and (c) the other Party shall not be required to acquire title to any proposed exchange properties to accommodate an exchange. The exchanging Party shall indemnify, defend and hold the other Party harmless from and against any and all claims, demands, costs and expenses which the other Party may sustain or incur resulting from the attempt by the exchanging Party to consummate the sale or acquisition of the Property as a Section 1031 exchange.

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

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

“**Agent**” means Buyer’s Agent or Seller’s Agent, as applicable.

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

“**Brokerage**” means Buyer’s Brokerage or Seller’s Brokerage, as applicable.

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

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

“**Counteroffer**” means a Counteroffer signed by the Party making the Counteroffer to PSA, and to be attached to this PSA.

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

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

Seller’s Initials RS Date 1/30/2018
Form Approved 2/20/13

Buyer’s Initials RS Date 1/26/2018

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

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

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

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

"Knowledge" means the actual knowledge of a specified Person with the duty to investigate his or her files and records but without a duty of further inquiry.

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

"Parties" means Seller and Buyer.

"Party" means Seller or Buyer.

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

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


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

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

OFFER AND TIME FOR ACCEPTANCE. Buyer offers to purchase the Property on the above terms and conditions. If Seller does not accept and deliver an acceptance of this Offer by 5:00 P.M. Mountain Time on January 30, 2018, this Offer shall lapse, and the Buyer's Brokerage or Escrow Agent, as applicable, shall return the Earnest Money Deposit to Buyer.

If Buyer is an individual or individuals:

DocuSigned by:



(Signature of Buyer)

Ron Steele

(Print Name of Buyer)

1/26/2018

(Date)

(Signature of Buyer)

(Print Name of Buyer)

(Date)

If Buyer is an entity:

(Print Name of Entity)

(Date)

(State of Formation and Type of Entity)

By: _____
(Signature of Authorized Signer)

Name: _____
(Print Name of Authorized Signer)

Its: _____
(Print Position of Signer)

Document Page 46 of 48
EARNEST MONEY RECEIPT
(to be used if requested by Buyer or Seller)

The Buyer's Brokerage or Escrow Agent, as applicable, acknowledges receipt of the Earnest Money Deposit in the amount of \$_____.

(Date)

(Print Name of Brokerage or Escrow Agent)

By:_____
(Signature above acknowledges receipt of Earnest Money Deposit)

Name:_____
(Print Name of Signer)

Its:_____
(Print Position of Signer)

ACCEPTANCE/COUNTEROFFER/REJECTION**CHECK ONE:**

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

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

☐ **REJECTION**

If Seller is an individual or individuals:

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

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

If Seller is an entity:

Fairgrounds Properties Inc
(Print Name of Entity) 1/30/2018
(Date)

Utah
(State of Formation and Type of Entity)

DocuSigned by:
By Robert Stevens
(Signature of Authorized Signer)

Name: Robert Stevens
(Print Name of Authorized Signer)

Its: president
(Print Position of Signer)

Seller's Initials RS Date 1/30/2018

Buyer's Initials RS Date 1/26/2018

DOCUMENT RECEIPT

State law requires Brokerage or Agent to furnish Buyer and Seller with copies of this PSA bearing all signatures. This document should be made part of the closing documents and signed prior to Settlement. (Fill in applicable Section below.)

A. I acknowledge receipt of a final copy of the foregoing PSA bearing all signatures:

(Signature of Buyer's Authorized Signer) (Print Name of Authorized Signer) (Date)

(Signature of Seller's Authorized Signer) (Print Name of Authorized Signer) (Date)

B. I personally caused a final copy of the foregoing PSA bearing all signatures to be ☐ faxed ☐ **Emailed** ☐ mailed ☐ **hand delivered** on _____ (Date), postage prepaid, to the ☐ Seller ☐ Buyer.

Sent/Delivered by (specify): _____

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

Seller's Initials  Date 1/30/2018

Buyer's Initials  Date 1/26/2018