



Roy Arnold, CEO and President
Endeavor Hotel Group, LLC

Via Email:

7 July, 2025

Robert M. Perez, (Topeka City Manager), Braxton Copley (Deputy City Manager)

Re: Letter of Intent for the Purchase of the Hotel Topeka 1717 SW Topeka Blvd, Topeka, KS 66612 (the "Hotel")

Dr. Perez,

This letter of intent ("Letter of Intent") shall set forth a summary of terms and conditions under which Endeavor Hotel Group LLC ("Buyer") and/or its assigns would be willing to purchase the subject property from the Topeka Development Corporation (TDC) ("Seller"). Upon execution of this Letter of Intent by Seller, the parties will proceed with the objective to enter into a definitive Purchase and Sale Agreement ('PSA') for the Hotel within 60 days after the execution of this Letter of Intent.

1. HOTEL TOPEKA. Included as part of the purchase shall be the fee-simple interest in the land underlying the Hotel, and in all other related existing real property related thereto, together with all improvements and 100% of all title and interest in and to all furniture, furnishings, computers, fixtures, machinery, signage and equipment; all opened and unopened inventory at the Hotel as of Closing; any and all inventory currently maintained by Seller at the property (Seller specifically agrees not to reduce linen and terry inventory from its current levels prior to the Closing); all equipment, vehicles, computers, computer equipment and manuals, and computer software, programs and databases owned by the Seller; all off-site and on-site signs; all utility and governmental agency deposits; all assignable contracts and agreements benefiting the Hotel, including all deposits and credits thereunder, to the extent assumed by Buyer; if any, as of Closing. Seller shall convey clear title to the Hotel at Closing to Buyer, without liability for any mortgages or other encumbrances of the Seller. Pre-closing liabilities shall remain with Seller to include any liabilities incurred under the Federal Paycheck Protection Program.
2. DEVELOPMENT CONCEPT AND BUYER INTENTIONS: As discussed on 18 December, 2024, and in my 7 February 2025 call with Mr. Copley, Buyer intends a comprehensive repositioning of the 224-room Hotel Topeka and its organic meeting capacity to achieve an Upscale Conference Hotel that will meet and exceed the expectations of meeting planners and their guests. Additionally, Endeavor has a wholly owned affiliate, Endeavor Hotel Management, which would enter into an industry standard management agreement to run day-to-day hotel and event-banquet operations providing a turnkey solution for Hotel Topeka. Development would include:
 - Rebranding the Hotel to "Dolce" by Wyndham Hotels and Resorts. An Upscale brand specifically designed for high end conference and meeting hotels. Dolce is characterized by an elevated approach to banquet and restaurant food and beverage; and for elevated use of technology to support meeting clients.
 - Refresh hotel exterior, landscaping, parking lots and exterior signage.

- Complete renovation of the 224 guest rooms with a focus on guest baths, furnishings, technology (including hospitality-streaming TV's, and RFID locking system) and fixtures.
- Modernization of F&B venues along with supporting investments in kitchens to deliver a revised and elevated dining experience.
- Renovation of finishes in all meetings and ballrooms organic to the hotel to include digital guest navigation and "in-meeting" audio-visual capabilities.
- Investment as required into hotel mechanical systems to ensure delivery of a comfortable and safe environment for guests and hotel staff.

We estimate a \$6M investment of post close capex to achieve repositioning. Further, we estimate \$2M in working capital is required to bridge current negative cash flow.

MANER CONFERENCE CENTER, HERITAGE HALL AND AGRICULTURAL BUILDING. The Maner Conference Center, and other existing campus structures will require a separate discussion on capital investment and concepts to be developed with Buyer and the County, and which we have initiated on 14 February 2025. It would be preferable for all parties to achieve a unified plan for both the Hotel, Maner Conference Center, and other structures to allow the most efficient and effective use of capital and to minimize the time required to achieve a fully redeveloped campus. In general terms subject to agreement between the County and Endeavor Hotel Management LLC we would propose:

- That the County enter into a long-term management agreement with Endeavor Hotel Management LLC to integrate the Maner Conference Center with the marketing and operations of the Hotel, to include all F&B operations.
- A County funded redesign and significant reconfiguration of the Center to harmonize with the enhanced hotel conference facilities consistent with the Wyndham rehab of this hotel.
- Repurposing the "Agricultural Building" to a modern Health Club and SPA open to community membership and to guests of the hotel while attending meetings and conferences. Wellness is a major trend in hospitality accommodations and having an on-campus facility can be a differentiator for meeting planners.
- Maintaining Heritage Hall as a wedding and meeting venue integrated fully into hotel and Conference operations, marketing and sales packages.

3. PURCHASE PRICE: The Purchase Price for the Hotel shall be US\$1,000,000. See Development Plan Outline for an additional \$11.2M in City of Topeka monetary benefit.
4. DEVELOPMENT AGREEMENT OUTLINE: The total Hotel project cost [purchase price, costs, renovation and working capital allocation is estimated at \$9.5M. The total project cost for the Maner Conference Center [renovation and working capital allocation is estimated at \$7.5M to be borne by the County and Buyer. The consolidated project cost is estimated at about \$17M. The following governmental tools are suggested to achieve the shared goal of a modernized and competitive regional conference center that will generate economic activity in the Topeka market:
 - A 24-year TGT increment and 22-year CID that will be retained by the City of Topeka until such time as the City receives an aggregate of \$11.2M; at which time any remaining term of the CID will revert to the benefit of the entity owning the Hotel.
 - The Buyer will commit \$2M in working capital to the Hotel Project and additional working capital, to be determined, to the Conference Center.
 - The buyer will use the proceeds from an IRB bond placement to fund renovations and repositioning, estimated for the hotel at \$6M. Buyer will be solely responsible for the

payment of the principal and interest on the IRB bonds.

- Buyer will obtain a national brand franchise agreement to rebrand the Hotel and Conference Center. The buyer will assume all costs and obligations associated with a franchise agreement.
- A condition of this LOI and any PSA is the City or County issuing an IRB with the following terms:
- Issuance of approximately 6.0M bonds, which Buyer will need to qualify for independently, and Buyer will have sole responsibility for payment of principal and interest
- 10-year property Tax Abatement for the hotel and land
- Issue an exemption for sales taxes associated with the materials needed for the renovation and repositioning.

Further, this letter of intent and any PSA is contingent upon the City of Topeka passing the appropriate legislation to implement the CID and TGT. The buyer will be syndicating the acquisition to accredited investors to bring new equity to the project to accomplish the renovation, rebranding, and repositioning of the Hotel and Conference Center along with organic investment by Endeavor on the same terms as Limited Partners.

5. EARNEST MONEY: Within one (1) business day following the execution of a definitive PSA by both Buyer and Seller based on an agreed Development Plan, Buyer shall deposit an amount equal to \$100,000 (the "Earnest Money Deposit") with Lawyers Title, Topeka, KS (the "Escrow Agent"). Unless Seller and Escrow Agent receives written notification of termination from Buyer on or before the expiration of the Inspection Period as described in Paragraph 8 below, the Earnest Money Deposit shall be paid to Seller in the event of a default by Buyer in closing the transaction.
6. CLOSING: The sale shall close on a date not to exceed 90 days past the expiration of the Inspection Period, following the satisfaction of all other conditions to closing as may be detailed in the PSA (the "Closing Date"). Should all other conditions be satisfied earlier than 90 days from the conclusion of the diligence period, Seller and Buyer may agree to an earlier closing date. *The increase in the inspection period and closing period from a more normal 60 and 30 days is required given the need for agreement and legal structuring of governmental support for the development project.*
7. INSPECTION PERIOD: Buyer shall have a period until 90 days following the execution of the PSA (such period of time is referred to as the "Inspection Period"), to conduct such due diligence on the Hotel as it deems appropriate. Buyer shall have the right, upon written notice, to terminate the PSA for any reason, or no reason, prior to the expiration of the Inspection Period.
8. TITLE INSURANCE: Buyer shall obtain, at Buyer's cost, an ALTA extended coverage owner's policy of title insurance for the Hotel, issued by the Escrow Agent in the amount of the Purchase Price allocated to the land and improvements, insuring that title to the land and improvements are vested in Buyer free and clear of all liens and subject only to exceptions approved by Buyer during the Inspection Period, deleting the standard printed exceptions of such insurer, affirmatively insuring roadway access to public streets, and insuring any appurtenant easement.

9. **COSTS AND PRORATIONS:** Buyer shall be responsible for escrow fee and recording fees. Buyer and Seller shall each be responsible for the fees and expenses of its own attorneys and accountants. Except as otherwise allocated, closing costs will be paid in accordance with the custom of the county in which the Property is situated. Proration will be made on the Closing Date pursuant to the provisions of the PSA.
10. **BROKER'S COMMISSION:** Seller is not represented by a broker. For clarity, at present Buyer has not been engaged by a broker.
11. **MANAGEMENT AND FRANCHISE AGREEMENTS:** At Closing, Seller shall deliver the Hotel unencumbered by any existing management, or lease agreements. Seller will cooperate with Buyer to engage Wyndham Hotels and Resorts to secure a new franchise agreement for the Hotel. For clarity, any franchise agreement or related costs will be between Wyndham Hotels and Resorts and Buyer. Seller is not responsible for any costs associated with the Franchise Agreement.
12. **EXCLUSIVITY:** Upon execution of this Letter of Intent, Seller agrees not to negotiate the sale of the Hotel with any other party for 90 days, provided a mutually acceptable PSA is executed within that time period or the parties mutually agree that they cannot agree to a PSA.
13. **CONFIDENTIALITY:** Subject to the Kansas Open Records Act, the terms and provisions of this Letter of Intent shall remain confidential and shall not be disclosed to any third party other than select lenders, accountants, and other experts retained or engaged by Buyer related to this transaction. It is understood that at the time of consideration and approval of this LOI at an open public meeting, the document will become an open public record.

Buyer is prepared to immediately begin collaboration with Seller on a mutually agreeable PSA containing customary representations, warranties, covenants and other terms and conditions of the transaction, to include governmental support agreements and thereafter to Closing. We are excited about the opportunity to acquire the Hotel Topeka and look forward to the opportunity to complete the transaction contemplated herein with you as quickly as possible.

We are confident in our ability to quickly execute on rebranding and renovation and achieve stabilization of the hotel at profitable levels within 24 months to achieve the City's objectives of driving tourism related economic activity in the market.

If this Letter of Intent meets with your approval, please indicate by executing it in the space below and returning it to my attention by 5:00 pm Central Time by August 15, 2025.

Sincerely,
Roy Arnold
Roy Arnold
President



ACCEPTED:

Topeka Development Corporation

Robert M. Perez, Ph.D.
Executive Director

Date: _____