

8131472

WHEN RECORDED RETURN TO:
Greater Salt Lake Business District
2595 East 3300 South
Salt Lake City, Utah 84109

8131472
01/25/2002 03:10 PM 16.00
Book - 8558 Pg - 5479-5482
GARY W. OTT
RECORDER, SALT LAKE COUNTY, UTAH
ASSOCIATED TITLE
BY: ZJM, DEPUTY - WI 4 P.

E307926

Lease

1. **The Parties and The Property.** Independent Warehouse Alliance LLC, a Utah limited liability company, hereinafter referred to as "Lessor", hereby leases to AFCO Sales, Inc. hereinafter referred to as "Lessee", all those premises situate, lying and being in the County of Salt Lake, State of Utah, commonly known as 1032 West 2610 South, Salt Lake City, Utah 84119 and more particularly described in Exhibit "A" which is attached hereto and incorporated herein by this reference (the "Property").
2. **The Term.** TO HAVE AND TO HOLD the Property, together with the appurtenances, unto the Lessee for a term of approximately twenty (20) years commencing February 1, 2002, for and during the latest of February 1, 2022 or until the SBA 504 Loan under SBA Loan Authorization No. CDC 516 319 4003 UT is paid in full.
3. **The Lease Payment.** Lessee covenants and agrees to pay Lessor a lease payment in the sum of \$12,000.00 on the first day of each month during the term of this Lease provided, however, that the amount of rent paid must be substantially the same as the debt service on the Third Party Lender Loan and the SBA 504 Loan together with an amount necessary to cover taxes and assessments, utilities and insurance and a repair/replacement reserve. The lease payment shall be reduced to the extent that it is in excess of the amount needed to meet the debt service and expenses. In the event there is more than one operating company under the terms of the SBA Loan, the lease payments of all operating companies shall be considered together and shall be reduced, pro rata, in the event, when considered together, they are in excess of amount needed to meet the debt service and expenses above described.
4. **The Return of the Property.** Lessee further agrees to deliver up to Lessor at the expiration of said term in as good order and condition as when the same were entered upon by Lessee, reasonable use and wear thereof and damage by the elements excepted.
5. **No Sublease or Assignment.** The Lessee will not let, underlet, assign the Property, or any part thereof, without the prior written consent of Lessor, which consent will not be unreasonably withheld.
6. **Default/Remedies.** And Lessee further covenants and agrees that if any monthly lease payment or any part thereof shall be unpaid for 20 days after the same shall become due; or if default in any of the covenants herein contained to be kept by Lessee is not cured within 20 days from written notice, or if Lessee shall vacate such premises, Lessor may elect, without notice or legal process, to re-enter and take possession of the Property and every and any part thereof and re-let the same and apply the net proceeds so received upon the amount due or to become due under this lease, and Lessee agrees to pay any deficiency.
7. **Utilities, Taxes and Insurance.** Responsibility for utilities, taxes and insurance shall be as indicated [Lessee responsible for (T), Lessor responsible for (L)]:

 Power T, Heat T, Water T, Sewer T, Telephone T, Real Property Tax T,
 Personal Property Tax T, Fire Insurance on Personal Property T, Glass
 Insurance T, Others:
None
8. **Maintenance and Repair.** Responsibility for the maintenance and repair of the Property shall be as indicated [Lessee responsible for (T), Lessor responsible for (L)]:

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Roof L, Exterior Walls L, Interior Walls L, Structural Repair L, Interior Decorating T, Exterior Painting L, Yard Surfacing L, Plumbing Equipment L, Heating and Air Conditioning Equipment L, Electrical Equipment L, Light Globes and Tubes T, Glass Breakage T, Trash Removal T, Snow Removal T, Janitorial T, Others:
None

9. **Negligence.** Each party shall be responsible for losses resulting from negligence or misconduct of himself, his employees or invitees.

10. **Lessor's Lien.** Furniture, furnishings and personal property of Lessee may not be removed from the premises until all lease payments and other charges are fully paid, and Lessor shall have a lien upon said personal property until the same are paid in full.

11. **Attorney's Fees and Collection Costs.** In case of failure to faithfully perform the terms and covenants herein set forth, the defaulting party shall pay all costs, expenses, and reasonable attorneys' fees resulting from the enforcement of this agreement or any right arising out of such breach.

12. **SBA Loan Requirements.** In consideration of SBA Loan No. CDC 516 319 4003 UT, Lessor and Lessee agree as follows, anything to the contrary notwithstanding:

- (a) The term of this Lease shall be equal to or longer than the term of the said SBA Loan;
- (b) Lessor and Lessee hereby assign, set over, and transfer to the Small Business Administration and Deseret Certified Development Company all of their right, title, and interest in and to this Lease, as security for said SBA Loan; and
- (c) Lessor and Lessee hereby agree to maintain exactly the present ownership (both identity of owners and percent of ownership) during the entire term of said SBA Loan except for ownership changes of up to 5 per cent beginning six months after the SBA 504 Loan closes.

13. **No Other Agreements.** This agreement supercedes and replaces any and all previous lease agreements between the parties; and said previous lease agreements are hereby canceled by the mutual consent of the parties.

This Lease is executed and effective 1-25-02.

LESSOR:

INDEPENDENT WAREHOUSE ALLIANCE LLC

By: Steven R. Affleck Sr.
Steven R. Affleck Sr., Manager

By: William G. Affleck
William G. Affleck, Manager

LESSEE:

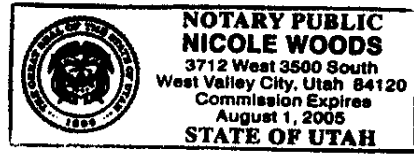
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AFCO SALES, INC.

By: *Steven R. Affleck*
Steven R. Affleck Sr., President

LEASE NOTARY PAGE

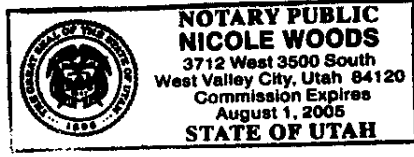
STATE OF UTAH)
COUNTY OF Salt Lake) :SS.



The foregoing instrument was acknowledged before me this January 25, 2002 by Steven R. Affleck Sr. and William G. Affleck, Managers, Independent Warehouse Alliance LLC.

Nicole Woods
Notary Public

STATE OF UTAH)
COUNTY OF Salt Lake) :SS.



The foregoing instrument was acknowledged before me this January 25, 2002 by Steven R. Affleck Sr., President, AFCO Sales, Inc.

Nicole Woods
Notary Public

BK8558PG5481

E X H I B I T A

LEGAL DESCRIPTION

The land referred to is situated in Salt Lake, and is described as follows:

BEGINNING AT A POINT ON THE NORTH LINE 2610 SOUTH STREET, SAID POINT BEING NORTH 1316.19 FEET AND WEST 3129.63 FEET FROM THE SOUTHEAST CORNER OF SECTION 23, TOWNSHIP 1 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE SOUTH 89 DEGREES 26 MINUTES 30 SECONDS WEST 60 FEET; THENCE SOUTH 0 DEGREES 33 MINUTES 30 SECONDS EAST 50.0 FEET; THENCE SOUTH 89 DEGREES 26 MINUTES 30 SECONDS WEST 165.0 FEET; THENCE NORTH 0 DEGREES 33 MINUTES 30 SECONDS WEST 295.92 FEET; THENCE NORTH 64 DEGREES 36 MINUTES 38 SECONDS EAST 215.87 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF A 750.98 FOOT RADIUS CURVE TO THE LEFT (THE LONG CHORD OF WHICH BEARS NORTH 63 DEGREES 22 MINUTES 23 SECONDS EAST) A DISTANCE OF 32.38 FEET; THENCE SOUTH 0 DEGREES 33 MINUTES 30 SECONDS EAST 350.80 FEET TO THE POINT OF BEGINNING.

Tax Parcel(s): 15-23-328-006