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Book - 10302 Pg - 7119-7123
Gary W. Ott
Recorder, Salt Lake County, UT
BACKMAN TITLE SERVICES
BY: eCASH, DEPUTY - EF 5 P.

WHEN RECORDED RETURN TO:
Mountain West Small Business Finance
2595 East 3300 South
Salt Lake City, Utah 84109

5087942
04-09-476-028
06-10-300-012

Lease

1. **The Parties and The Property:**

LARKIN ENTERPRISES, L.L.C., a Utah limited liability company

hereinafter referred to as "Lessor", hereby leases to:

LARKIN DEVELOPMENT, INC.

hereinafter referred to as "Lessee", all those premises and personal property described in SBA Loan Authorization, SBA 504 No. 62392650-09 situate, lying and being in Salt Lake County, State of Utah, commonly known as:

2800 North 2200 West, Salt Lake City, UT 84116

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 25, 2015

, for and during the latest of

February 25, 2035

or until the SBA 504 Loan under SBA Loan Authorization No.

62392650-09

is paid in full.

3. **The Lease Payment.** Lessee covenants and agrees to pay Lessor a lease payment in the sum of \$ 4,000.00 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)]:

Roof L, Exterior Walls L, Interior Walls L, Structural Repair L,
Interior Decorating T, Exterior Painting L, Yard Surfacing L, Plumb-
ing Equipment L, Heating and Air Conditioning Equipment L, Electri-
cal 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. 62392650-09, 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 Mountain West Small Business Finance 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

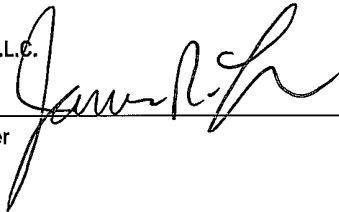
identity of owners and percent of ownership) during the entire term of said SBA Loan except for ownership changes of up to 5 per cent beginning six months after the SBA 504 Loan closes.

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 February 25, 2015

LESSOR:
LARKIN ENTERPRISES, L.L.C.

By: James Larkin, Member



LESSEE:
LARKIN DEVELOPMENT, INC.

By: James R. Larkin, President



Order No.: 5-087942

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

Beginning at the center of a 4 rod street at the extension fence line being 930.97 feet North from the Southwest corner of the Southeast quarter of the Southeast quarter of Section 9, Township 1 North, Range 1 West, Salt Lake Base and Meridian, and running thence along said fence line South 89 deg. 17'15" East 231.37 feet to a found rebar and cap marking a Boundary Line Agreement in Book 8538 at Page 5539 in the Salt Lake County Recorder's office; thence along said Boundary Line Agreement the following two (2) courses: (1) thence South 89 deg. 52'05" East 528.95 feet; (2) thence South 89 deg. 44'09" East 437.26 feet, more or less, to an existing fence corner marking the West line of the Salt Lake City No. 2 Ditch; thence along said fence line South 46 deg. 26'25" East 156.46 feet; thence South 45 deg. 13'18" East 488.92 feet to an existing fence corner marking the Boundary Line Agreement in Book 9169, Page 3763, in the Salt Lake County Recorder's office; thence along said Boundary Line Agreement North 89 deg. 47'55" West 428.68 feet; thence along an existing fence line North 89 deg. 24'13" West 118.06 feet; thence continuing along said existing fence South 89 deg. 53'29" West 228.26 feet, more or less, to an irrigation ditch; thence North along said ditch 280.40 feet, more or less, to the extension of an existing fence line; thence along said fence line South 89 deg. 53'23" West 550.00 feet; thence North 141.20 feet, more or less, to the extension of an existing fence line; thence along said fence line North 89 deg. 49'45" West 333.00 feet, more or less, to the center of a 4 rod street; thence North along the center of said street 34.48 feet to the point of beginning.

Less and excepting therefrom the Westerly portion of subject property lying within the bounds of 2200 West Street.

Parcel No.: 08-09-476-028

PARCEL 2:

Beginning at a point South 89 deg. 59'57" West 90.60 feet along the section line and North 473.796 feet and East 432.125 feet and North 45 deg. 34'00" West 643.198 feet and South 89 deg. 51'55" East 114.548 feet to the true point of beginning from the Northeast corner of Section 16, Township 1 North, Range 1 West, Salt Lake Base and Meridian, and running thence South 89 deg. 51'55" East 516.654 feet along an old fence and Boundary Agreement line; thence along the Westerly right of way of the proposed I-215 Project Number SP-0067(1)0 for the following three courses: South 20 deg. 02'53" West 326.750; South 17 deg. 35'05" West 61.470 feet; South 24 deg. 11'59" East 23.016 feet; thence North 45 deg. 34'00" West 553.875 feet along the Northeasterly line of the Salt Lake City Drainage Canal to the point of beginning.

Parcel No.: 08-09-476-028, 08-10-300-012